What Economic Parley Means to World's Future On Page 9

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

Vol. XXVII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JUNE 3, 1933 | 10c a Copy; $5.00 a Year | No. 22

The Nation's Business

Income Taxes Under Fire
New Support for Canal Tolls
Fire Prevention Lags in Quebec

Income Tax in Canada and United States

FOR many years the wealthy bankers and business men of the United States have protested against the taxation of capital gains for income tax purposes. They were able to make little impression upon the public who did not see why multi-millionaires should not pay any taxes upon the profits they made from buying and selling securities and other assets.

Now the shoe is on the other foot. The Morgan enquiry has made it quite apparent that there is another side to the taxation of capital gains; namely, the allowance of capital losses. And the fact that J. P. Morgan and other partners of his famous banking firm did not pay income taxes in 1931 and 1932 has aroused much bitterness with the public. The more anti-capitalist newspapers and politicians are insisting that the American income tax law be changed. Their memories are short and their logic somewhat obscure although what they seek is sound enough. It may be taken for granted that business men would not object to the change in the law. Losses have been taken in very large measure and business is faced with the prospect of a few years of capital gains, particularly should there be any improvement in the general level of prices.

In Canada, we do not tax capital gains nor allow capital losses in the case of private individuals although corporations which treat these gains as profits and these losses as deductions from profits may be taxed in relation to them. In the long run it is probably better not to tax appreciation in values. If values appreciate, it is because the income they will produce has increased or is expected to increase so that the State is bound to gain ultimately in any event.

* * *

IT IS quite apparent that taxation as income of increases in value leads to much more violent swings in the governmental revenue from income tax than the Canadian type of tax is subject to. The income tax is not, under the best of circumstances, a dependable revenue producer. It becomes much more undependable when to the normal swings, based upon the rise and fall of the incomes of the people, are added the fluctuations due to changing values of property and pieces of paper representing the title to property.

In this connection the comments of the logical New York Herald-Tribune are timely:

"In the gay days of the boom, the income tax was a marvellous source of easy money. There resides the second great vice of the tax. When incomes are high, the large revenues from a tax on them encourage legislators to extravagance. This income rolling in so easily undoubtedly aided in creating the orgy of governmental extravagance from which the nation is still suffering.

"Congress should take the object lesson of the Morgan testimony to heart. The sales tax—with necessaries exempted—offers the obvious alternative. It has a broad base which fluctuates comparatively little in good and bad times. There is neither encouragement to governmental squandering in boom times nor failure of essential revenues in bad times. It is a just tax, since it varies in proportion to the amount that a man spends. Every one can reduce his tax payment somewhat by economizing; but every one must pay according to his mode of life.

"The sooner Congress realizes that it has been relying upon a dangerous, unjust and unreliable tax the better."

* * *

Canadian Magazine Urges Canal Tolls

A CLEAR-CUT contribution to the campaign for making Canadian canals self-supporting, originally instituted by The Financial Post during 1931, is contained in the current issue of Canadian Magazine. In a signed article, Major Hugh C. MacLean, chief executive of that publication, draws a parallel between our treatment of railways and waterways and asks what the reaction of Canadians would be if Ottawa were to announce that in future, all freight from all points in the United States and Canada were to be carried free of charge on the Canadian National Railways. This, he argues, is exactly what we have been doing for 30 years in respect of our $250,000,000 investment in canals.

Not only does this discriminate in favor of Canadian shippers and industries fortunate enough to benefit from this federal largesse be-

(Continued on page 2, col. 3)

'LANTIC SUGAR FEELS EFFECT BUYING WAVES

Pre-budget and Spring Sales Cause Heavy Distribution

ACTIVITY LESSENS

Expect New Tax May Have Temporary Effect on Consumption of Sugar

From Our Own Correspondent

MONTREAL.—Two pronounced waves of buying have disturbed the even tenor of Atlantic Sugar Refineries operations during the first five months of this year.

The first abnormal sales period took place in the few days prior to bringing down the 1933 budget which resulted in the consuming public stocking up with supplies in anticipation of a special tax on sugar.

A lull followed this buying, but in the latter part of April and early May another wave of buying took place, this time by the trade in anticipation of an increase in sugar prices.

The volume of business experienced by Atlantic Sugar Refineries and other producers during these two periods reached very substantial proportions, but in between times trade was dull.

Results Are Abnormal

Consequent upon the abnormal release of large quantities of sugar to distributors and consuming public, results from the beginning of January to the end of May do not constitute any criterion of what operations for the whole year are likely to be.

On the basis of business already done, returns to the refineries have probably been better than for the same period last year. Atlantic Sugar Refineries, however, are not making any optimistic forecasts for the balance of the year, preferring to adopt a "wait and see" policy."

May Iron Out

It may be that the two high peaks of distribution experienced so far this year will be ironed out in the next seven months, so that results over the full twelve months will not be materially different from those experienced in 1932.

Another factor in the refined sugar situation is the possible ef-

(Continued on page 2, col. 1)

NICKEL SALES SHOW DECIDED UPWARD TREND

International Nickel Plants Being Geared to Higher Output

Sales of nickel products by the International Nickel Co., which have shown an upward trend since last July, recorded the greatest volume of sales in March and April last, The Financial Post is officially informed.

The recent quarterly report covering earnings for the first three months of this year were slightly lower than in the last three months of 1932, but this does not truly paint the picture of the demand for the company's products as plant operation and production are not yet synchronized.

At the present time sales are leading production with the huge inventory acting as the buffer. Inventories are now declining just as they were built up, following the curtailed demand for the company's products in 1930. Similarly this inventory was drawn upon in 1928 and 1929 when the company's plants were not able to keep production up to sales requirements.

Nickel Refinery Resumes

At all plants production is being geared toward higher levels. At the Copper Cliff concentrator and smelter, production is now scheduled at about 35,000 tons of ore per month, producing nickel sulphides for the Port-Colborne and Clydach, Wales nickel refineries, the blister copper going to the adjacent copper refinery of the Ontario Refining Co. at Copper Cliff. No ore is at present being taken from the Creighton mine nor is the Coniston smelter, normally treating this ore and producing "monel metal" matte, running, although, if the demand for "monel metal" keeps up, it is possible that it will not be long before this section of operations is resumed. At Port Colborne Ontario, the electrolytic nickel refinery operations were resumed early in May.

At the Hunting, W. Va. rolling mill all departments are geared to greater production, or about 50 per cent of possible capacity.

The following tabulation shows the relative production and export figures of International Nickel for the past two quarterly periods.

Quarterly Production Three Months Ended

Tons	Dec. 31 1932	Mar. 31 1933
Ore smelted	100,063	96,114
Matte made	10,731	6,951
Nickel cont.	2,034	2,398
Copper cont.	2,676	2,773
Matte export.	11,343	4,785
Matte refined in Canada	none	2,223

Ventures Share Option Given To Allied Group

A disclosure of importance to shareholders of Ventures Ltd. was made at the annual meeting in Toronto last week.

While market values of Ventures shares, as established on the various exchanges in Canada, have been ranging from 80 cents to $1.28 per share this year, it was ascertained that Selected Canadian Golds Ltd., a company formed privately and comprised in part of directors of Ventures, has a very profitable arrangement whereby it gets shares far below the present market.

Of the 250,000 Ventures shares shown to be under option in the last two annual reports it is now revealed that Selected Canadian Golds had an agreement to take them up at a sliding scale of prices. These prices were at 47 cents per share for 100,000, 60 cents per share for 50,000 and $1 per share for 100,000 shares. The last two options expire in June, 1933, and in January, 1934, respectively.

According to information secured by The Financial Post, Selected Canadian Golds Ltd. was incorporated under a Dominion charter in March, 1932, but no offering was made to the general public as has been the case in most of the various Lindsley enterprises. The company is headed by Senator A. D. McCrea, president; Halstead Lindsley, vice-president and General D. M. Hogarth, managing director.

The directors of Ventures are: Thayer Lindsley, Halstead Lindsley, H. Whittingham, General D. M. Hogarth, Joseph Errington, W. S. Morlock, Col. C. D. H. MacAlpine.

Int. Utilities Regains Dominion Gas System Plans Large Financing

Many Wide-spread Utility Systems in Western Canada Sold For $15,000,000 in 1930, Bought Back For $4,000,000 in Securities

ASKS FOR RELEASE OF PLEDGED BONDS

Aims to Finance Subsidiary Requirements Directly—Some Bondholders Oppose Proposal to Take First Lien From Dominion Gas Bonds—Control Secured By $1,000,000 Bonds and $3,000,000 Three-year Notes

If bondholders of Dominion Gas and Electric Company accept the reorganization plans sent forward to them by the directors, the result will be that this company and all its important subsidiaries in Western Canada will once more pass under the control of International Utilities Corp. On October 14, 1930, International Utilities Corporation's Canadian subsidiaries were sold to Dominion Gas and Electric Company, a subsidiary of American Commonwealth Power Corp. for $15,000,000 in cash and securities. The latter company went into receivership and International Utilities may regain control for less than $4,000,000 in market value of securities held.

As International Utilities Corp. has indicated its assent to the plan now being sent forward and as the Court of Chancery in Wilmington, Delaware, has authorized the receivers of American Commonwealth Power Corp. to permit the confirmation of the plan, it may be considered in its chief details so far as the junior stocks are concerned, to represent a bargain between those two companies.

Bondholders Will Decide

The sole remaining step, and the most essential one to make the proposed reorganization effective, is to secure consent from the holders of 85 per cent of $8,000,000 of first lien and collateral gold bonds 6½ per cent series due July 1, 1945. More than half of the amount outstanding is held by International Utilities Corp. but this still leaves nearly $2,800,000 which must be deposited in favor of the plan to make the reorganization effective.

The plan is briefly as follows: to reduce the outstanding gold bonds from an open issue now standing at $8,000,000 to a closed issue of $7,000,000, as a result of International Utilities donating $1,000,000 to meet sinking fund requirements for the next ten years; the cancellation by International Utilities Corp. of $3,000,000 of six per cent three-year gold notes due July 1, 1933; the cancellation of the present first preferred $7 series of 1930 no par value, second preferred $7 series of 1930 no par value, and the no par value common stock; and the substitution therefor of 25,000 shares of new no par value preferred, non-cumulative for two years, and cumulative thereafter at the rate of $7 per share, and of 156,667 no par value new common shares. Instead of warrants to purchase 157,500 shares of present common there will be warrants to buy 105,000 shares of new common stock.

If made effective by deposit of bonds, the new capitalization and annual requirements thereon as compared with the old, are as shown in the following table:

OLD AND NEW CAPITALIZATIONS WITH ANNUAL REQUIREMENTS

Security	Present: Author.	Present: Outstand.	Present: Int. or divs.	Proposed: Author.	Proposed: Outstand.	Proposed: Int. etc.
1st 6½'s	Open	$8,000,000	$520,000	Closed	$7,000,000	$455,000
6% notes	$3,000,000	$3,000,000	180,000	......	....	......
$7 1st n.p. pref.	100,000	25,000	465,738 (1st and 2nd pref.)	......	....	......
$7 2nd n.p. pref.	50,000	41,534				
New n.p. pref.	......	......	......	50,000	25,000	175,000
Common n.p.	1,000,000	592,500	......	......	....	......
New common	......	......	......	600,000	156,667	......
Total payments			$1,165,738†			$630,000†

†Net earnings available for interest, dividends and reserves of parent company amounted to $1,577,515 in 1930, to $1,266,368 in 1931 and $1,533,406 in 1932 (the years ending March 31, in each case).

Opposition Develops

Bondholders, with whom a representative of The Financial Post has talked, are glad to see the changes referred to in the preceding paragraphs. They are somewhat puzzled, however, as to whether or not it

(Continued on page 4)

U. S. Peps Up Commodities Building, Hardware Sales Lead Canada Business Gain

Chief significance of a boiling commodity market at the end of last week is probably that it indicates the determination of President Roosevelt to keep the pot boiling at all costs until business develops sufficient momentum on its own to ensure business recovery.

Just as interest in commodities and stocks was beginning to wane, four key factors appeared namely: (1) increased holdings of Government bonds by Federal Reserve banks; (2) conferences held on means to raise agricultural prices; (3) reduction of ½ per cent in N. Y. discount rate; (4) legislative repeal of gold clause in U. S. contracts. These combined to bring a deluge of speculative buying which continued into the present week. Cash price of No. 1 Northern at Winnipeg which last Monday dropped to 60⅝ had risen by Tuesday, May 30, to new high ground at 65½. Textiles and metals showed particularly sharp gains while food alone declined.

Buying Power Up

Significant in the U. S. is the actual increase in purchasing power through higher wages and payrolls. Latest reports show 100,000 wage-earners had their wages raised in May—significant when it is remembered that in prosperous 1929 only 131,000 such increases were recorded officially in the entire year.

In Canada all accredited indices available as yet, lag behind U. S. developments. This is due partly to natural causes since it's really a U. S. party and Canada gains only indirectly. Also the best indicators available so far in the U. S. are weekly and Canada has none of these except for carloadings which have not performed too well as yet due in part to small grain loadings.

Best business news of the week in Canada was a good showing for construction contracts awarded in May despite the lack of any one large contract. Actually the May total as reported by MacLean Building Reports was down $2,000,000 to $6,500,000 but the previous month's figure had included two large jobs totalling $3,000,000. May figures therefore are taken to indicate an increase in volume and activity in all parts of Canada. Another important item for Maritime ears was announcement of a 50,000 ton governmental rail order at Sydney.

Marked improvement in hardware

(Continued on page 2, col. 2)

U.S.A. FIGHTS U.K. RULING WHEAT BONUS

Wants Preference Extended to Include Wheat Via U. S. A. Ports

CANADA UNCERTAIN

Extension of Preference to U.S.A. Ports Would Cause Request For Similar Action on Imports

From Our Own Correspondent

OTTAWA—According to well informed opinion in official circles, the Roosevelt administration is exerting pressure at London with the object of obtaining a reversal of the British customs decision denying the six cent wheat preference to Canadian wheat exported via Buffalo and United States' ports.

It will be recalled there have been two test movements through Buffalo to determine whether or not exports to Britain, within the preference, are possible. In both cases, the decision of the British customs board was adverse.

The position of the Canadian Government is somewhat uncertain but there are grounds for the belief that it would occasion real sorrow here if the Buffalo route were opened. But it is unlikely that the government will co-operate with Washington in obtaining any change in the British regulations. For one reason, the Canadian government at once would encounter a counter request for a change in the Canadian preferential tariff regulations, whereby transshipment through United States ports is forbidden.

Forbid Transshipment

This feature of the problem is believed here to be of importance. It is believed that the British Government in framing the regulations for the six cent preference was not actuated by any desire to injure United States transportation interests. On the contrary, it is suspected that the real objective was to bring about a change in the regulations governing the Canadian preferential tariff.

Some years ago, the late Hon. J. A. Robb amended the preferential tariff regulations by providing a premium of 10 per cent if goods were imported direct, through Canadian ports, under the preference. Owing to an error in phrasing the regulation actually withdrew the preferential tariff from British or Empire goods exported to Canada via New York or other American ports. Once in operation it became difficult, politically, to alter the regulation. The maritime provinces, as well as Montreal and Quebec, would resent the withdrawal of this additional advantage.

Regulation Irksome

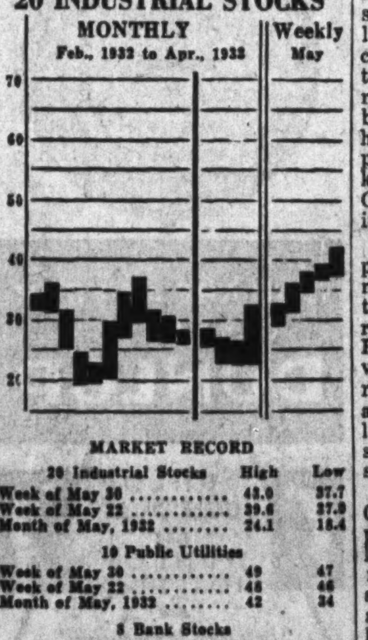
Just the same, British exporters have found the regulation irksome and have suggested on numerous occasions that the American trade routes be re-opened. With greater ocean tonnage moving to New York, Portland and Boston, it would often suit British exporters best to use these channels. But their suggestions have never been heeded.

In the case of the British preference on wheat, it is generally believed the Buffalo route would be opened provided the Canadian Government was prepared to extend the Canadian preferential tariff to shipments via American routes.

No Retaliation

For the immediate future, it is not expected that Washington will adopt retaliatory measures. While the Roosevelt administration is making forceful representations at London, it is not believed that the present position of British and Canadian trade under American law will be changed. But if these representations fail, there is good reason, according to prominent government officials at Ottawa, to fear serious reprisals.

Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of May 30	43.0	37.7
Week of May 22	39.6	37.0
Month of May, 1932	24.1	18.4
10 Public Utilities		
Week of May 30	49	47
Week of May 22	48	46
Month of May, 1932	42	34
8 Bank Stocks		
Week of May 30	166	158
Week of May 22	158	155
Month of May, 1932	165	151

Good Luck, Mr. Prime Minister

Caricature by Cecil

RT. HON. RICHARD BEDFORD BENNETT

Who this week takes Canada's World Economic Conference delegation to London. A minor country at the conference is Canada but Mr. Bennett will be no minor figure in its deliberations. He has had some experience in dominating economic conferences; witness the Imperial parleys of 1930 and 1932. At London the greatest individual influence may be exerted by the strategically absent Mr. Roosevelt. But Mr. Bennett, who sees the Rooseveltian objectives, who spurns London's social unctuousness, who is impervious to French financial propaganda, will insist that the conference get quickly down to business, talk practical sense and achieve results. If arrogant theoreticians, mouthing politicians or assertive bureaucrats attempt to drag the conference on to attenuated innocuity, Mr. Bennett may come home and produce his own Imperial and Canadian cards from up his sleeve. Canadians bid him "bon voyage" with a personal feeling that is mixed with economic hope.

Highlights of the Week

No U.S. Funds
Maple Leaf Milling Co. offers only Canadian funds to bondholders. Will legal action result? Page 5.

World Parley
Its task is to get economic peace. Reasons for the conference. Why it failed in 1927. Page 9.

Personalities
Intimate chat about Jules Bache, president of Dome Mines. Told by Lt. Col. J. B. Maclean. Page 16.

Wheat Acreage
Canadians will sow wheat to millions fewer acres this year. Page 13.

Reciprocity
Does Roosevelt action endanger it? Copper, lumber taxes already extended. Page 15.

Imperial Oil
What it did in 1932. Income segregated for the first time. Page 8.

Economic Control
This is the theme of savants. Is it the world's only hope? What Stamp, Salter, Leacock and others say. Page 3.

Radio Secret
Canada's radio board kept CKGW deal secret for two weeks. What radio men think about it. Page 2.

OTTAWA GETS NEEDED FUNDS RATE 3.5 P. C.

Issues $30,000,000 of 6-months Treasury Bills to Banks

Issuance of $30,000,000 6 months treasury bills by the Federal Government which have been taken up by the chartered banks is regarded by Government officials and bankers as being normal short term financing such as that undertaken in the summer of 1931 and 1932 for the purpose of tiding the Government over until long term financing can be accomplished.

Cost to the Government 3½ %

In a statement to The Financial Post, W. C. Clark, deputy minister of finance, said: "It is a temporary loan from the banks to tide us over until the conversion loan in the fall. We have had to do temporary short term financing each of the last two summers. Our expenses are heavy during the period due to interest on loans and for the C. N. R. while at the same time our revenue is down. It is a perfectly normal transaction carried out in a perfectly normal manner."

In some quarters it is regarded as possible that the issuance of treasury bills may be a preliminary step to an inflation similar to that effected early last November when

(Continued on page 2, col. 2)

Stock Markets Boiling With Commodity Price Rise; Bread, Liquor Shares Lead

Commodity price rises in the latter part of April and throughout May have brought about a sharp and almost spectacular increase in stock market valuations over a large variety of companies. Increasing prices for wheat, copper, tin, lead, silver, wool tops, sugar, rubber and foreign currencies have brought general optimism which has been translated into higher prices for favorite stocks and market activity reminiscent of 1929. Coffee is the only major commodity lower than a year ago.

The disposition of investors apparently now is to ignore even the major troubles in various industries. The energetic and almost revolutionary activity of President Roosevelt has created a psychology very different from that hitherto ruling in the depression. Obstacles a few months ago bulked very large and shut out hope; now obstacles are thought of only as something to remove.

Both in the United States and Canada stocks of industrial companies are now well above the high level of September, 1932. The first recession of importance will be studied very closely by market analysts to see whether the underlying strength is sufficient to prevent a return to low levels.

In Canada interest in stocks is spreading from the distillery and food issues to steel, building, textile and power issues. Evidently many are trying to get into groups which have not yet had a rise in the hope that these too will later feel the effect of rising prices.

Walker is Amazing Performer

Hiram, Walker - Gooderham & Worts still remains the amazing performer of the boards. The common stock is now selling for three times what it did a month ago, and the preferred is also well up. Merger seems nearer and other distillery stocks including Brewers and Distillers show appreciation as a result.

Bread stocks have shown a considerable move in the last few days because chain stores have announced a rise in some cities of price of cheaper loaves from six to seven cents a loaf. It affects no other price as yet but it is regarded as important as showing that the industry is ironing out its worst phases. Profitless sales by chain stores were blamed for producing a lot of grief in the industry. If business improves and unemployment lessens it will also be of great advantage to bread companies in that they have been selling large amounts for relief purposes at very low profits. Much of this bread was

(Continued on page 2, col. 3)

RADIO TRADE STABILIZATION ACCOMPLISHED

Distress Stocks Have Been Worked Off — Prices Firmer

FIRMS CO-OPERATE

Further Price Slashing Campaign Averted — Industry Needs New Selling Points

Radio in Canada has at last taken up a position from which it bids fair to make a comeback, it would appear from information obtained by The Financial Post from many sources. After nearly three years of gradually falling sales, of forced liquidation of merchandise and of a market severely disorganized by price slashing, some degree of stability has been established which augurs well for the future.

Distress stocks which overhung the market have almost entirely been disposed of and the majority of the companies are now in a position where they can at least meet operating expenses on the small volume and low prices which are prevalent. Demand for the small, compact "personal" radio and the automobile radio combined with the usual demand from persons setting up house for the first time is carrying the industry along. Replacement demand when spending power is increased is expected to be heavy and manufacturers are pinning their faith in this future.

Nothing Radical Ahead

Undoubtedly, introduction of any radical change in receiving sets would result in an increase in sales. Little in the way of basic improvement is in prospect for 1933 or 1934, however, as far as can be ascertained, but it seems only reasonable to suppose that further advances in construction can be expected in the future.

During the three years from 1928 to 1930, the radio industry in Canada had a mushroom growth. Not only did the chief U. S. manufacturers establish in Canada but many small manufacturers set up in business in order to cash in on the almost virgin market. During the next three years a weeding out process took place and all except the strongest companies went to the wall. In addition, some of the stronger companies failed to realize that the quick falling off in sales was going to have some degree of permanency and maintained their production schedules at figures which the market could not absorb in an ordinary way.

Rise and Fall Shown

Rise and fall of the radio industry during the past six years is amply demonstrated in the following figures showing sales in Canada during that period. In the three years from 1927 to 1929 the number of firms engaged are comparable but are not comparable to later figures as the early ones include companies manufacturing radio parts while the latter represent only companies producing complete radios. As the battery set was still supreme in the three former years, the production figures in these years represent the value of complete radios plus batteries.

Production and Sales of Radio in Canada

	No. of firm	No. of sets sold	Value at works
1927	30	*	$6,321,615
1928	29	*	9,942,192
1929	31	*	16,777,812
1930	26	223,228	22,776,225
1931	22	286,122	18,141,347
1932	16	133,454	7,810,106

*Figures not available.

Market Glutted

Chief result of the large number of failures and over-production by existing companies in 1931 and 1932 was that the market became glutted with distress merchandise with consequent price slashing. Large department stores were able to pur-

(Continued on page 2, col. 6)

Investor's Index

INDUSTRIALS, UTILITIES, ETC.

Atlantic Sugar	1	Int. Nickel	1, 16
B. C. Electric	4	Int. Utilities	1, 11
B. C. Power	4	Int. Propriet.	11
Can. For'n. Inv.	15	King Edward	13
Can. Inv't. Fund	9	Maple Leaf M.	5, 11
Can. Nor. Pwr.	4	Massey-Harris	11
Consol. Paper	8	Mtl. Power	4, 11
C. N. R.	4	N. B. Power	4
C. P. R.	4	N. S. Power	2
Consol. Press	13	Prudential Tr.	8
Dominion Gas	1	Robin, Jones	14
Dom. Steel & C.	15	St. Maurice V.	4
Dom. Stores	8	Tuckett's	14
Dom. Textile	13	Tor. Gen. Trusts	4
Imp. Tobacco	14	Winnipeg Elec.	11
Imperial Oil	8		

MINES AND OILS

Abana	11	Northern Quebec	11
Acme O. & G.	16	Normetal	11
Alschbach	11	Paymaster	11
Buff-Ankerite	16	Reno	16
Dome	16	Stadacona-Rouyn	11
Int. Nickel	1, 16	Ventures	1
McIntyre	16	Walpole Gas	11

PRICE QUOTATIONS

Bonds	14	Mines	15
Grain	13	Stocks	14

REGULAR DEPARTMENTS

Answers to Enquiries	11
Business	7
Banking	12
Editorial	6
Grain and Milling	13
Insurance	10
Mining	16
Utilities and Transportation	4

FAITHFUL FRIEND

Own a Birkdale men's pocket watch and when minutes mean money you have a faithful friend to guard you. In round or octagon shapes—in white, yellow or green gold-filled cases—a watch a man may well feel proud of.

$27.50

Watch Department Main Floor—Yonge and Albert Streets

T. EATON Co LIMITED

The Nation's Business

(Continued from page 1)

cause of their proximity to the canals, but it constitutes an indiscriminate bonus to United States shippers who are thus able to sell their products that much more cheaply in Canadian markets. The coal situation as Major MacLean remarks, is a case in point, since for years, U. S. coal has been transported on our canal systems free of charge and delivered to central Canadian markets below competitive prices. "Canada for years," he concludes, "has practically been subsidizing every ton of United States coal burnt in Ontario and Quebec."

* * *

AS POINTED out in this column last week this question is a particularly live one at the present time because of the proposal now being investigated by President Roosevelt to charge a tonnage tax on all shipping using federal inland waterways in the United States. This plan if it matures will remove a major obstacle to the imposition of canal tolls by Canada for it will enable the two countries to act in unison along the Great Lakes-St. Lawrence system. Canada should lose no time in co-operating with the United States along these lines.

There are two other important aspects of the canal question which make it imperative that a clear-cut policy be adopted. Firstly there is the pending St. Lawrence treaty which may shortly be up for ratification and secondly there is the relation of this matter to our federal budget. The latter point is very obvious when it is realized that approximately $14,000,000 of taxpayers' money is being spent annually to bonus U. S. and Canadian shippers in central Canada without a cent of commensurate return to the federal treasury.

As to the St. Lawrence Deep Waterway we must realize before it is too late that this project has never been analyzed properly by Canada from an economic viewpoint. This is not surprising when it is realized that $250,000,000 has already been spent on canals without any counting of the cost. If this ludicrous policy in regard to inland waterways has been done in the past, why worry about the expenditure of another $50,000,000 or $100,000,000? Obviously the place to start is to put our present canal system on a reasonable, self-supporting basis before we spend millions of new money in this manner.

This is a point of view heartily supported by the Coolidge railway committee in the United States which recently brought in a monumental report on transportation matters in that country. It said in part:

"As a general principle, inland waterways should bear all costs of amortization, interest, maintenance and operation if the facilities are for navigation. If they cannot bear such charges and compete with other forms of transportation they should be abandoned. The St. Lawrence Waterways should be tested by this rule of self-support and if it fails in that test the pending treaty with Canada should not be ratified."

A number of newspapers have taken up The Post's campaign. We welcome the addition of The Canadian Magazine and its publishers to this growing number.

Quebec Must Tighten Up Fire Prevention Work

PUBLICATION recently of the report of the coroner's jury investigating the disastrous Canada Match Company fire at Hull, seems to confirm the opinion expressed in this column a few weeks ago as to the negligence of fire prevention officials in this particular case and the need for a drastic tightening up in Canada, or at least in Quebec province, of this branch of state activity.

The jury found no one criminally responsible for the fire which resulted in the loss of six lives, despite the fact that "exits and fire drills were insufficient." Its recommendation merely was that "the proper authorities enforce stricter regulations respecting match factories."

Here it seems is the crux of the matter. Who are the proper authorities to enforce fire prevention laws in Canada? Canada Match Co. was operating a plant which apparently should never have been used to make matches and which lacked proper exits and fire drills. Yet at the trial an official of the company submitted a letter from a provincial building inspector which gave the company a clean sheet. This and other documents showed that the products of the company were being manufactured according to specifications and that the regulations laid down by the government had always been met.

If manufacturers in Quebec can ignore ordinary safeguards to life and property and do so under government protection then the Quebec fire marshal and his department is either useless or hopelessly inefficient.

Another indication of the weakness of this particular department is that apparently the Canada Match disaster was never even investigated by the fire marshal's office, the reason being, as we understand it, that this department cannot conduct an investigation without the consent of the minister in charge.

As is well known to readers of The Financial Post, this paper has long been an ardent supporter of the work of fire prevention in Canada but if the work of fire prevention is as impotent in Quebec as would seem to be indicated by the Canada Match affair, it is time it was either abolished or else given a mighty powerful jolt.

'LANTIC SUGAR FEEL EFFECT BUYING WAVE

(Continued from page 1)

fect of the 2 cent a pound tax in restricting the consumption of sugar. Sales to date do not enable the manufacturers to come to any conclusions.

With the recorded experiences of taxation on other essential food commodities, it is to be expected that consumption of sugar will fall off. There is no way of determining the extent until sufficient time has elapsed to permit of the absorption of the large stocks placed in circulation in the past few months. The refiners, however, believe that there will be a falling off, but that in time the recession will be recovered.

Financial Statement

No details of income have been made available by Atlantic Sugar since control of the company passed to a group headed by F. R. Gardiner, of Toronto, about this time last year.

Prior to that time Atlantic Sugar Refineries had been showing very satisfactory earnings on its capital stock, but was unable to pay dividends owing to the restrictions imposed by the trust deed of the general mortgage bonds. On January 2, 1932, the preferred was 78¾ per cent in arrears.

New Capital Set Up

Under the terms of the offer made by the Gardiner group the funded debt of the company remained unchanged. The preferred shareholders received for each $100 of stock held, 1 share of A preference stock and $82 par value of 10-year debenture stock. Holders of the common stock were offered $30 in cash for each share.

Upon completion of the deal, Atlantic Sugar Refineries (the name of General Sugar Refineries had been adopted temporarily) had outstanding $70,000 of first mortgage bonds (which were redeemed in July) $3,551,247 of general mortgage bonds, $911,102 of 5 per cent debentures, 11,111 A preference shares and 160,000 no par value common shares.

Pay Dividend on Stock

One of the conditions of the general mortgage trust deed was that no dividends could be paid on the capital stock until the funded debt of the company had been reduced to $3,000,000. This was readily effected as the company already had a large block of bonds in its own treasury. Thus it was possible to pay the fixed dividend on the new debenture stock, while in October last the A shares were placed on a regular dividend basis of 7 per cent per annum.

Investment interest in the company's securities has been negligible since control changed. Prior to the deal both the preferred and common stocks of the old company had been actively traded in. The only stocks now in the hands of the public are the 5 per cent debentures and the A preference shares. All of the common is held by the interests which bought control. As the former two issues are closely held for investment account, trading in the securities of Atlantic Sugar has virtually ceased.

U. S. PEPS UP COMMODITIES; BUILDING, HARDWARE SALES

(Continued from page 1)

trade is reported by Hardware and Metal, Toronto, manufacturers, wholesalers and retailers all benefitting. In some lines this increased demand has been much greater than expected and in certain instances orders were filled with difficulty. Small stocks on retailers' shelves have resulted in a flood of orders to wholesalers and increased staffs have been necessary to handle them.

In U. S. all reports indicate continued and rapid expansion in industry and trade. The movement is almost entirely contra-seasonal in most lines. Steel operations rose above 40 per cent of capacity; automobile companies stepped up factory schedules to the highest level in nearly two years; tire factories continued to produce at close to a maximum; many branches of the textile industry received large orders and increased output; and railroad traffic and electric output continued well above a year ago.

OTTAWA GETS NEEDED FUNDS RATE 3.5 P.C.

(Continued from page 1)

$35,000,000 of 4 per cent two-year treasury bills were issued. The banks deposited the treasury bills with the Treasury Board in Ottawa under the provisions of the Finance Act and received $35,000,000 of Dominion notes which represented a credit expansion in Canada of 12 per cent. The fact that a nation-wide programme of construction is mooted in Ottawa lends some credence to the idea that the recent issue of treasury bills is the first step in a programme of further inflation but the continued strength in Dominion of Canada bonds and stability of the Canadian dollar on exchange markets rather argues against inflation.

Meets Current Needs

The Federal Government has authorized issuance of $40,000,000 of six months treasury bills of which $30,000,000 have been issued. The bills are callable after two months and the banks receive 3½ per cent for the money advanced. Later in the summer it is anticipated that the remaining $10,000,000 of treasury bills will be issued. The bills mature on December 1 by which time the proposed Federal conversion loan will be an accomplished fact and the bills can be repaid.

During the summer, governmental revenues normally decline while April returns indicate that 1933 revenues may be under revenues in 1932. During April income tax collections were 8.7 per cent under collections in April, 1932. Customs duties showed a decline of 39 per cent; excise taxes were down 13.1 per cent; excise duties were down 25 per cent. The recent loan will finance the Government's ordinary expenditures until funding is possible on a long term basis.

STOCK MARKETS BOILING WITH COMMODITY PRICE RISE

(Continued from page 1)

originally sold retail on a better basis.

Farm Prices Rise Encouragingly

The rise in farm prices has been the most encouraging phase of all and caused renewed interest in Cockshutt Plow and Massey-Harris though it will take some time for the new prices to be translated into purchasing power of farmers.

May Rise in Active Stocks

	Close May 1	Close May 31	High 1933	Low 1933
Brazilian	10¼	14⅝	14⅝	7
Brewers & Dist.	1	1.90	2.00	.55
Brewing Corp.	1.50	1.50	2.00	.12
Do., pref.	18⅝	10¼	15½	¾
B. A. Oil	9¾	13	13	7½
Canada Bread	2¼	6¼	6½	1¼
Can. Bud	8¾	9¾	9⅞	5½
Can. Malting	19½	29	32	13⅞
Canners 2nd pref.	6	8	8	3⅝
Can. Dredge	18	18½	18½	10
Can. Indust. Alcohol	2¼	5	5⅛	1½
C. P. R.	14½	16	16½	9
Cockshutt Plow	7	9	7½	3
Cons. Bakeries	5½	9¾	10	2
Smelters	93	126	126	54
Dist.-Seagrams	5	8⅝	9¾	4
Dom. Bridge	18½	24¼	26	12½
Dom. Stores	19	20½	23	12⅞
Dom. Textile	45½	63½	64	39
Ford "A"	7⅝	12	9⅛	6
Goodyear pref.	87½	100	100	80
Gypsum, Lime	2¾	3¼	4	1¼
Ham. Bridge	4½	7½	7½	2¼
Imperial Oil	10½	13	13¼	7⅞
Imperial Tobacco	8¾	10	10	7
Inter. Nickel	16.00	17.50	17.50	8.00
Inter. Pete.	15	16	16⅛	10⅝
Lake o' Woods	8½	15	15	5
Loblaw "A"	11⅝	14	14	10¼
Do., "B"	11	13	13¾	10½
Massey-Harris	3¾	6⅛	6¼	2⅝
McColl-Frontenac	10	12	12⅛	7
Mont. Power	35	36	36	26⅝
Nat. Breweries	19¼	23¾	23¾	14¼
Page-Hersey	49½	58	59	40
Power Corp.	7½	12	12	6
Shawinigan	12⅝	14	14⅝	9¾
Steel of Canada	21½	27¾	27¾	14½
Walker-G. & W.	6⅝	18⅝	18⅞	4
Do., pref.	10⅛	15⅞	18⅝	9

HIRAM WALKER MERGER KEYSTONE FOR DISTILLERIES

Negotiations Resumed Next Week — Final Decision Expected Soon

From Our Own Correspondent

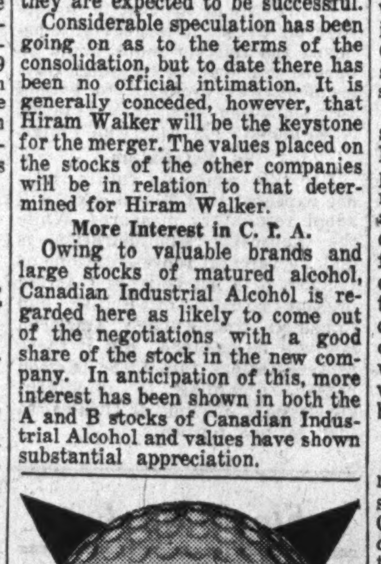
MONTREAL.—Wide interest is being shown here in the current negotiations looking to a merger of the six leading Canadian distillery companies—Hiram Walker-Gooderham and Worts, Distillers-Seagrams, Canadian Industrial Alcohol, Consolidated Distillers, United Distillery and British Columbia Brewers and Distillers.

Discussions have been going on for some time past and apparently are approaching the stage where a final decision will be made. Negotiations have ceased temporarily but will be resumed next week when they are expected to be successful.

Considerable speculation has been going on as to the terms of the consolidation, but to date there has been no official intimation. It is generally conceded, however, that Hiram Walker will be the keystone for the merger. The values placed on the stocks of the other companies will be in relation to that determined for Hiram Walker.

More Interest in C. I. A.

Owing to valuable brands and large stocks of matured alcohol, Canadian Industrial Alcohol is regarded here as likely to come out of the negotiations with a good share of the stock in the new company. In anticipation of this, more interest has been shown in both the A and B stocks of Canadian Industrial Alcohol and values have shown substantial appreciation.



YOU ARE AT YOUR BEST WITH A DUNLOP

DUNLOP GOLF BALLS like DUNLOP FORT TIRES are "In a class by themselves"

424

DEEP WATERS SEEN IN DEAL FOR C.K.G.W.

Radio Commission Lease of Station Kept Dark For Two Weeks

BOLT FROM BLUE

Station Leased Had Been Opponent of Commission; Owners Glad to be Relieved of Burden

Deep political waters are seen by radio executives and other observers interviewed by The Financial Post in connection with the Canadian Radio Commission's leasing of station C. K. G. W. at Toronto. The station is owned by Gooderham & Worts Ltd., distillers, a unit of Hiram Walker-Gooderham & Worts, Ltd.

It was pointed out that the lease was finally passed upon by the cabinet on May 27, the day on which Parliament was prorogued. The commission announced on Sunday, May 28, that the lease had been made. According to benign-looking R. W. Ashcroft, former manager of the station, it had been signed on May 15. For two weeks prior to the announcement C. K. G. W. had actually been a commission station. None of the radio authorities consulted by The Financial Post would venture an opinion on the political aspects of the deal.

Those who think there may be an interesting political sideline to the lease agreement, point out that the announcement was deferred until the House had risen. This left no opportunity for questions in Parliament by members of the Opposition.

Bolt From the Blue

The announcement of the lease came as a bolt from the blue to many Canadian radio men, The Financial Post learns.

Officials of station C. K. G. W. had been among the foremost opponents of the Canadian Radio Commmission. The station on one occasion had been forced to make public retraction of statements made concerning commission policies.

According to Mr. Ashcroft, the owners of C. K. G. W. were glad to lease the station to the commission to be relieved of a burden of expense.

One advantage to the commission in leasing, rather than buying, the station is that it will not show as a capital item when a report of the radio board's position is finally made public.

A striking feature of the secrecy with which the lease was surrounded until May 28 is that commission programmes were not sent through C. K. G. W. between May 15 and the date of the announcement. The station's steadfast refusal to take commission programmes has been cited as one reason why the commission leased it.

The Radio Commission obtains C. K. G. W.'s right to receive National Broadcasting Company programmes in Canada through the lease. Thus, a wide variety of entertainment is available to the commission from the largest United States broadcasting organization. Proponents of nationalized radio for Canada at one time were advocating elimination of United States programmes by means of the commission. Opponents of the Canadian radio board feared that American programmes might be shut out of Canada. Now they seem to be assured of them through the agency of the commission. Radio men think that there may be some objection to this from Canadian radio artists, if too many United States programmes are sent across Canada by the commission.

Had Nuisance Value

The nuisance value of C. K. G. W. as a steady opponent of the commission is suggested to The Financial Post as one reason for the lease of this particular station. It is also understood that the station had not been making profits for the owners, who were therefore glad to lease it. The N. B. C. contract of C. K. G. W. is believed to have been a strong attraction to the commission.

Attempts of the Radio Commission to purchase time from C. F. R. B., Toronto, one of the most powerful stations in Canada, were not successful, according to radio authorities. The commission, according to reliable information, offered a price of only nine or ten dollars an hour for time on this station. This offer was refused because the commission wanted some of the best hours in the day, for which as much as $100 and $150 was being asked for commercial broadcasts.

Expected C. F. R. B. Deal

It had been expected by radio men that C. F. R. B. might be the station to be leased by the Radio Commission for the Toronto and central Ontario region. This station has recently spent considerable sums on erecting the highest radio masts in Canada, and increasing its power. The Rogers Majestic Corp., which owns C. F. R. B., is understood to have gone to some expense in its plant to arrange for manufacture of special tubes necessary to handle the increased power of the station.

These improvements in the station's facilities were construed by the radio fraternity as indicating some assurance on the part of the station that it might be leased or sold to the commission. Some of these radio authorities still think that a deal may be made by the commission for this station. C. F. R. B. is one of the chief Canadian outlets of the Columbia Broadcasting System, the chief competitor of the National Broadcasting Co. in the United States.

Ottawa's Angle

From Our Own Correspondent

OTTAWA.—After several months operation, fundamental changes in the principles upon which national radio broadcasting in Canada was founded are becoming apparent.

Last week the national commission leased the Gooderham & Worts station at Toronto bringing the total number of commission stations up to four. These are located at Moncton, Ottawa, Toronto and Vancouver. With the possible exception of stations in the larger centres, such as Montreal, Winnipeg, Regina or Moose Jaw and Calgary, the commission's chain of broadcasting units is not likely to be extended in the near future.

Not Seeking Monopoly

It is now evident, therefore, that the commission will not seek to achieve a monopoly of high-power station broadcasting. Nor will it seek to carry out the original proposal to commandeer private stations for purposes of broadcasting commission programmes. Originally, it was stated that the commission would not pay for the use of private stations. To do so, it was alleged, would bankrupt the commission, exhaust its revenues.

RADIO TRADE STABILIZATION ACCOMPLISHED

(Continued from page 1)

chase these stocks at amazingly low figures and offer them to the public through well-advertised sales at less than half list price. The result was that the market was supplied with radios which netted the retailer little profit and meant a loss to the manufacturer. In addition, smaller radio stores, unable to compete in price with the big store offerings were forced first to cut list prices right and left and later (in a great many cases) to close down entirely.

Crises Reached This Year

Failure of the industry to work together for the common good until recently has been a contributory factor to the distress occasioned by reduced sales and lower prices. In the past, price and specification agreements have been entered into by the manufacturers' association and then promptly broken by individual members. A few months ago, however, a proposal by one company which would have almost disintegrated the industry, was withdrawn through pressure of other manufacturers and retailers.

This concern proposed to place on the market a five-tube "personal" radio at $29.75, a price which would not have left any profit for the manufacturer and little or no profit for the retailer unless large volume was handled. They approached, in turn, two of Canada's largest department stores and were turned down. Meanwhile, another manufacturer threatened to place a similar radio on the market around the $20 mark if the first company carried through its proposal.

Agreement Reached

A meeting of the licensed Canadian manufacturers, numbering fourteen, was called and through pressure of reprisals it was agreed to slightly change the set and make the list price $39.50, this figure being set by the industry as a minimum price for this model. So far, other manufacturers have not attempted to get around this agreement. and the sales at $39.50 have been satisfactory.

How Companies Stand

While all Canadian companies have felt the effect of the low prices and reduced sales of radio during the past few years, those which depend largely on this type of merchandise were with a few exceptions naturally harder hit than the others. Stromberg-Carlson, Fada, Mohawk, Philco, Sonora, Sparton and Victor all were in the position of relying chiefly on radio for their continued existence and, through drastic cost cutting, have managed to stay in business and maintain stocks in line with current market requirements. Production of these companies is now reduced to actual replacement of dealers' stocks and all appear to be ready to increase this production when conditions warrant.

Canadian General Electric, Canadian Westinghouse, Canadian Marconi, and Stewart-Warner-Alemite Corp. are in a slightly different position. In the case of the first three companies, radio was never more than a side-line and production has always been maintained at a level which the market could absorb. Stewart-Warner has a good staple in Alemite and never did have large production in radios, their sets being much in the position of the Cadillac or Packard in the automobile field.

Grimes Radio Corp. in Kitchener has concentrated in the production of the "Serenader" set for the Robert Simpson Co. and in a set for the Hudson Bay Co. stores and therefore has regulated its production in line with demand from these outlets.

When the DeForest-Crosley Radio Co. branched out into Consolidated Industries and added Norge refrigerators and the Hammond electric clock to their line of production, the management was quoted as saying that it was expected that the profit on radios would carry the company until the other lines had been well established. This, however, was not to be the case as the slump in radio sales occurred shortly thereafter. Activity in the other lines at the present time is greater than in radios and no plans are being based on the eventual resumption of large radio sales. Stocks, while somewhat larger than the present market conditions warrant, are understood to be reasonably small.

Rogers-Majestic Corp., which in addition to manufacturing the Rogers and Majestic radios also assembles the Columbia radio, has had many difficulties to overcome during the past few years. Changes in management failed to have the expected result of increasing sales and stocks became heavy. Partial liquidation of these stocks has taken place and their influence on the market has been removed to a large extent.

N. L. Nathanson Named President Famous Players

Famous Players Canadian Corp. has taken back its old pilot, N. L. Nathanson. At the annual meeting on May 31, and the directors' meeting which followed, he was made a director and later appointed as president of the company. The post of managing director has been vacated by Arthur Cohen who was offered an executive position under Mr. Nathanson but found himself for personal business reasons unable to accept it. It will be left vacant. A co-director on the board with Mr. Nathanson will be Adolph Zukor, head of Paramount Publix, the parent company, with whom Mr. Nathanson had a dramatic break three years ago.

The new directorate consists of Major Andrew P. Holt, Montreal, Hon. W. D. Ross, former lieutenant-governor of Ontario, Victor Ross, vice-president Imperial Oil, Hon. Fleming D. McCurdy, Halifax, N.S., Sir William Wiseman, Adolph Zukor, both of New York City, J. J. Fitzgibbons, of Toronto, Thomas A. Bragg and N. L. Nathanson. Former members on the board not now included were asked to continue but resigned for business reasons.

The directors thereupon met and appointed as chairman on the board Adolph Zukor and N. L. Nathanson as president. Thomas A. Bragg remains as secretary treasurer and R. W. Bolstad as comptroller. J. J. Fitzgibbons was appointed manager of theatre operations.

A 115-Year-Old CANADIAN INSTITUTION That Is Still Young

Head Office Montreal

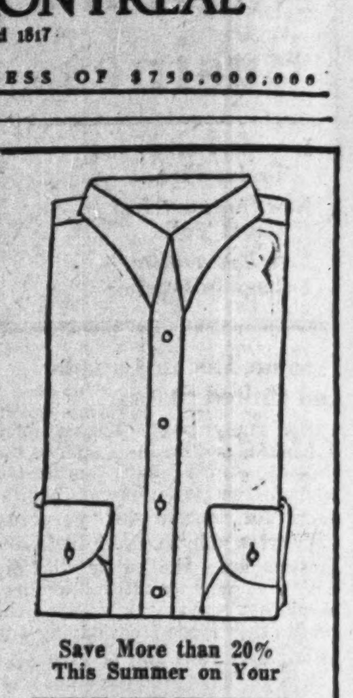
The strength of Canada is in her youthful, pioneering, ever forward-facing, courageous spirit, tempered with old wisdom. Canada's strength is the composite strength of her constituents—institutions as well as individuals.

The Bank of Montreal, 115 years old and true to Canadian history and tradition, applies its experience and adjusts its service constantly to changing conditions, to provide safe, helpful and convenient banking for the people and business of the Dominion.

BANK OF MONTREAL

Established 1817

TOTAL ASSETS IN EXCESS OF $750,000,000



Save More than 20% This Summer on Your

WHITE SHIRTS

by Ordering the Arrow-tailored GOODWOOD

1.95 or 3 for 5.75

The lustrous, extra-ply English broadcloth is the same quality which we have sold for years at 2.50. During June, we are offering these "Sanforized Shrunk" shirts, made to the exacting Arrow standards, at a worth while saving. And remember, "Sanforized Shrunk" means permanent correct size and permanent correct fit. These fine shirts are made with the famous Arrow collar (attached or to match). This feature, combined with Arrow tailoring, Arrow standards and the Arrow guarantee makes this offer a "stand out," one that should not be missed. Sizes 14 to 17½; sleeve lengths 33 to 36 inches. Order your supply now—this offer is for June only.

Simpsons—Street Floor

THE ROBERT SIMPSON COMPANY LIMITED

TOP HOLE eh, what?

Dear old London! Busses ::: bobbies ::: people ::: pubs ::: and genuine English Stone Ginger Beer! What a brew! "Let's all go down the Strand."

Kuntz's Stone Ginger Beer is just like that—the same as you used to know. Same sparkle ... same head ... same wholesome tang—the real thing. Try it. Prove it.

THE KUNTZ BREWERY, LIMITED WATERLOO and TORONTO

Kuntz's STONE GINGER BEER

In transparent amber glass bottles Sterilized and Inspected

5¢

★Complete Analyses Of Canadian Companies

The Financial Post Corporation Service company analyses will give you complete and detailed information on the companies in which you are interested.

All the facts needed to thoroughly investigate a company are contained in these reviews—history, management, capitalization, balance sheets and earnings statements for seven years, etc.

Analyses are available a few days after the issuance of a company's annual report except in the case of very large companies when some days are required to complete the review due to the extensive nature of each analysis. Send in the coupon below.

Price — $1 for Each Analysis

The Financial Post Corporation Service, 481 University Avenue, Toronto.

Please send me The Financial Post Corporation Service analyses on the companies indicated, I enclose $........ at the rate of $1 for each.

Name ....

Address ....

1832 1933

International Trade . . .

WITH world-wide facilities The Bank of Nova Scotia is fully equipped to handle every banking phase of international trade.

Importers and exporters will find our Foreign Department ready and willing at all times to assist with their problems.

World-wide facilities in every department of banking

Coast to Coast in Canada

NEWFOUNDLAND, JAMAICA, CUBA, PUERTO RICO, DOMINICAN REPUBLIC

NEW YORK, CHICAGO, BOSTON, LONDON, ENGLAND

The BANK of NOVA SCOTIA

OVER A CENTURY OF BANKING SERVICE

Economic Control Theme of Savants

Economists Appear to Favor Modified Socialism —Leacock Says Complete Socialism Impossible —Sir Josiah Stamp Dubious of Democratic Intelligence

Control, control, control is the theme of present day economists, judging from papers delivered at the recent annual meeting of the Canadian Political Science Association at Ottawa. Control is the keynote of Roosevelt's policies at Washington.

Modified Socialism appears to be the creed of the economists.

A picture of a changing world emerges from remarks made by Stephen Leacock of McGill University, H. R. Kemp, A. Brady and Miss I. M. Biss of the University of Toronto, J. L. McDougall of Queen's University and J. Coke of the Federal Department of Agriculture at the Ottawa meeting.

Sir Josiah Stamp and Sir Arthur Salter in recent addresses in Canada also expressed views which would indicate that change is needed in the world's political and economic structure.

Democracy's Weakness

"Democracy" as developed in the last 150 years is not suited to solve our present international economic problems, in the opinion of Sir Josiah Stamp. The votes of the masses, he believes, are not capable of determining the most expedient economic policy. Apparently he would favor some change in the democratic system of government which would allow more dispassionate treatment of problems which "democracy" was not devised to solve.

The fundamental human desire for personal gain cannot be allowed unrestricted freedom, in the opinion of several of the Canadian economists who spoke at Ottawa, notably Stephen Leacock. It seems that they would attempt to harness the chief motivating force in our capitalist economy, the desire for personal gain. No one has been successful yet in achieving complete control of this kind. Even Lenin, Trotsky and Stalin have been unable to stamp out the acquisitive instincts of millions of Russians.

Socialism and Capitalism

What does all this mean to our present political and social system? Whither Democracy? What of Capitalism?

"Socialism is impossible," says Stephen Leacock, because of the prime desire of man to serve himself.

We have a capitalistic system, simply because it has been best suited to our needs, according to H. A. L. Fisher writing in Lloyd's Bank Monthly Review. He appears to believe that if some other system, such as Socialism, would serve us better, we would adopt it. Mr. Fisher, judging from his remarks, would agree with Stephen Leacock that we cannot eliminate "the economic man" who will work only in his own interests. This "economic man" who forms the bulk of the population is, therefore, the reason for Capitalism.

As for Democracy, Sir Josiah Stamp has clearly indicated that he fears its ability to solve its own economic problems. The collective judgment of the mass of voters does not grasp the underlying significance of economic phenomena. Therefore he feels it is improbable that satisfactory economic results can be obtained by way of the ballot box.

Leading economists agree that the present difficulties of the world are to a large degree the result of the conflict between economic and political forces. The question is: Can the political elements of our society be made subservient to the economic? Unless this is done, attempts at economic control, they believe, may be futile.

Economic Forces Must Rule

Economic forces must prevail eventually, no matter how the political forces in society fight them, Sir Josiah Stamp points out. In our present sad state of depression they have finally dominated world affairs, but only at the expense of great pain. Unless we pay more attention to the economic problems of our world we cannot hope to avoid depressions, says the economists. Therefore they advocate economic control of production, tariffs, wages and hours of labor, and so on.

The economists recognize that two great difficulties stand in the way of economic control: first, the competitive characteristics of the human animal, second, the firm desire of the masses to cling to "Democracy." The voter will probably not be easily persuaded to give up his right to decide economic questions through the ballot, no matter how small his intellectual capacity to deal with intricate problems. Moreover, even though economic control should go so far as to appropriate the means of production, distribution and exchange, it could not appropriate brains, says the Hon. Sir John W. Fortescue, writing in Blackwood's. The mental processes of acquisitive man, he thinks, will always be an elusive factor in any attempt at economic control.

Socialism would be an ideal system, in the opinion of some economists. But they know it is impossible, man being the selfish creature he is, said Stephen Leacock. But, paradoxically, economists who realize that complete socialism cannot be thrust on the competitive human animal are now suggesting partial Socialism.

Obstacle to Control

Sir Arthur Salter, in his suggestions for control of industry, transportation and production, would only have supervision of competitive enterprise by the State. This is the general basis of the contentions of other less famous economists for a controlled economy. Professor H. R. Kemp of the University of Toronto shrewdly pointed out a major difficulty in achieving such control, in a brief address to the Ottawa meeting. The problem is to get complete international acceptance of control. He pointed out that only a few producing countries had been involved in recent attempts to control production of such basic commodities as sugar, coffee, rubber and wheat. Yet every attempt has failed calamitously. Nevertheless, Mr. Kemp appears to think that some such control must ultimately be effected.

Economists who are sceptics suggest that either one or two interpretations must be placed on past attempts to control production: either

(1) Control of production is impossible on an international scale, and past attempts have proved it, or

(2) It is possible and past attempts have failed because of incomplete co-operation.

Sceptics Doubt Control

The latter explanation appears to be that favored by such economists as Mr. Kemp, who appear to contemplate a new era of political economy. But there are economists who seem to expect such new era visionings to fall flat, just as the perpetual prosperity philosophy of 1928 and 1929 collapsed. The reason for their doubting a new era of economy is simple. They feel that the political and human obstacles may be too great to surmount.

Students of social taxation and modern political structure have recently pointed out that the masses, after all, have the power to dictate what social and economic systems the modern state shall use. In the present emergency even the vaunted freedom of the citizens of the United States has been largely removed by a presidential dictatorship. The same thing has occurred in other countries. Some writers on political topics appear to doubt the permanence of this condition. Once the pressure of depression is lifted, they think dictatorships, and hence the possibility of economic control, may collapse beneath the will of the masses. The democratic political machine of modern states, they think, may again try to conquer that redoubtable opponent, economic law, through popular legislation.

As one view of the outcome of popular legislation, Sir John Fortescue suggests that it may mean economic civil war between the different mentalities in our modern state. He says, for instance, that Great Britain has never been able to afford educational expenditures on the present lavish scale. This and other social expenditure, made to satisfy the mass demand, he believes may result in something like taxpayers' strikes. This he would claim would be economic civil war.

Certainly the economists who advocate economic control do not foresee a rosy picture of future conditions, if their advice is disregarded.

THE DOMINION BANK ESTABLISHED 1871

A WORD TO TRAVELLERS
. . . about Funds

It is desirable when travelling abroad to carry Travellers' Cheques and Letters of Credit rather than any considerable sum of cash. Apart from the extra risk it entails, Canadian currency carried abroad involves exchange, with consequent delays and inconvenience.

Letters of Credit and Travellers' Cheques issued by The Dominion Bank are honoured in United States, Great Britain, Continental Europe, and throughout the world. Our nearest branch manager will gladly arrange your requirements. Consult him.

THE DOMINION BANK

ESTABLISHED 1871

BRANCHES THROUGHOUT CANADA AND OFFICES IN NEW YORK AND LONDON

SEES NO PROSPECT OF EARLY CHANGE IN CATTLE MARKET

T. H. English Thinks Britain Will Continue Irish Tariff

NEW COMMISSIONER

Greater Opportunity Now Exists in United Kingdom for Canada Than Ever Before, He Says

There seems no reason why the United Kingdom should weaken and reduce the 40 per cent tariff against Irish Free State cattle, John H. English, recently appointed Canadian Trade Commissioner in London and formerly Trade Commissioner in Dublin, told The Financial Post this week. Further, he said, De Valera is unlikely to open negotiations unless he is very hard pressed.

After six years in Dublin, Mr. English is at present in Canada for the purpose of meeting exporters interested in trade with the territory which he represented and that which he will represent in future.

The effect of this high tariff against Irish Free State cattle has been to allow the Canadian exporter a more even chance in the market and, further, it considerably benefits the British producer, Mr. English said. Already exports of Irish cattle to Great Britain have fallen off, he pointed out, 738,000 head being exported in 1931 and only 626,000 head in 1932. Canada, has not as yet obtained any of this business, her exports falling from 26,900 head in 1931 to 16,700 head in 1932.

Good Start in 1933

Trade figures for the first three monthhs of the current year, however, show that a much brisker export trade is being experienced by Canada. In the first three months of 1932 a total of 8,142 head of cattle have been exported to the United Kingdom with only 409 head in the same period a year ago. As May, June, July and August are generally the peak months of this export trade the prospect for a very considerable increase in total exports in 1932 is bright.

Probably the chief reason for the increase in the early months of this year compared with last is the improved exchange situation which allows Canadian raisers to realize a much better price. In addition, more interest is being taken in the market and an effort has been made to supply British consumers with the type of beef cattle which they desire.

Mr. English felt that frozen meat from Australia and the Argentine had largely taken the place of the 100,000 head decrease in the Irish supply and that this trade would probably increase somewhat owing to the increase in price of Irish and home-fed meats.

Questioned by The Financial Post regarding the effects in Britain of the Imperial Conference and the attitude of Britishers toward it, Mr. English stated that with a few exceptions everyone seemed favorable toward it. The cotton and woollen trades, he said, were disgusted, but industry generally seemed quite pleased while the purchasing public were more Empire minded than at any previous time.

A better opportunity exists in the United Kingdom for the Canadian exporter, Mr. English said. The Empire Marketing Board campaign has been a decided success and purchases of Empire goods of all kinds are steadily increasing. In the 1931-32 fiscal year British imports of Canadian goods increased more than £10,000,000 he pointed out, while imports from almost all other countries and total imports decreased in value; and this was before the agreements of the Imperial Conference became effective.

As far as the Irish Free State is concerned its smallness does not make it a very attractive market for Canada, Mr. English stated. Feeling in the country, while definitely anti-British, is much more favorable to Canada but a peculiarity in the country's trading leaves only a very small market for countries outside of Great Britain. Mr. English pointed out that Southern Ireland had always considered itself a part of the British Isles as far as trade was concerned, despite different political ideas, and for this reason most imports were made through London. De Valera has made an effort to curb this trade as much as possible and promote direct trading with other world countries but the Canadian Trade Commissioner felt that he would hardly be successful owing to the small amounts shipped and to the fact that, by purchasing through London importers, no financing was required of the Irish merchant.

John H. English is a Westerner, having been born in Edmonton and, after schooling in Calgary, graduated from Edmonton University with a Bachelor of Commerce degree. After some time with P. Burns & Co., meat packers, he entered the Government service and spent a training period at Ottawa. Prior to his appointment in Dublin, Mr. English saw service in New York as Assistant Trade Commissioner and in Jamaica as relieving officer.

New Trade Official

JOHN H. ENGLISH
Recently appointed Canadian Trade Commissioner in London, Mr. English is at present in Canada in order to meet Canadian manufacturers interested in that market. Mr. English was formerly Trade Commissioner at Dublin and goes to London under Harrison Watson, who remains as Chief Canadian Trade Commissioner for the United Kingdom.

BETTER CONDITIONS IN TRADE CONTINUE

Prairies, B. C. and Ontario Cheerful, Maritimes Not So Bright

Weekly trade report of the Canadian Credit Men's Trust Association, for the week ending May 27, is as follows:

Halifax—Conditions in Nova Scotia reported as showing little or no change. Lobster season to date not up to expectations and fish markets continue dull; lumber industry also continues dull. In the Port of Halifax conditions on the waterfronts have suffered the usual relapse at the close of the winter shipping season.

Saint John—Wholesale trade generally reported slow but with some sectional improvement. Retail merchants report trade somewhat improved and stimulated by holiday buying. Collections slightly improved in most sections.

Montreal — Wholesale groceries continue in fairly good demand; clothing reported as showing an improvement; dry goods moving somewhat better than formerly; ladies' wear slightly better but volume still below normal; boots and shoes very fair; hardware and building trades quiet.

Toronto — Improvement reported last week is still indicated throughout local trades with the exception of building. Textiles, both manufacturers of piece goods and garments, advise continued activity. Hardware better than for past couple of years. Paints busy. Produce prices somewhat advanced. Collections — slow to fair.

Winnipeg — Wholesale groceries continue in fair demand; boots and shoes very fair; hardware and paints continue fairly good; other lines practically unchanged. Optimism still prevails in business circles although retail trade has been slightly affected during the past week by weather conditions. Collections continue fair on current accounts; old accounts still slow.

Regina — Wholesale trade report satisfactory and volume continues in the grocery line; dry goods generally fair; hardware fair, an improvement of about 15 per cent over last year. Retail trade, both city and country, report business for the week as very quiet due to inclement weather. Collections: wholesale, good on current accounts; retail, city fair, country slow.

Saskatoon — Wholesalers' grocery volume remains very satisfactory; hardware sales satisfactory, volume comparing favorably with that of last year; boots and shoes, and dry goods report fair volume continues; oils and greases improved considerably over the past few weeks.

Calgary — Generally speaking, wholesale and retail trade report most lines as showing continued improvement, groceries and kindred lines showing very satisfactory turnover. Very little moving in building and hardware. New car sales surprisingly good under existing conditions. Country collections slow, although current accounts are being met fairly promptly.

Edmonton—Both wholesale and retail trade reported as being adversely affected by recent cool wet weather.

Vancouver—Trade generally report conditions very much improved and that the upward trend is still in evidence.

QUEBEC TO BOND DAIRY CONCERNS IN URBAN CENTRES

Commission Will Enforce Rules to Stabilize Markets

From Our Own Correspondent

MONTREAL—All dairy companies operating in metropolitan areas of Quebec must file a bond with the Department of Agriculture, the amount of such bond being dependent upon the total value of dairy operations of individual companies during the first three months of the current year. This is the decision reached by the Dairy Commission, newly-appointed to undertake enforcement of the Quebec Dairy Industry Act.

Companies affected by this ruling include Eastern Dairies's subsidiary, Elmhurst Dairy, Guaranteed Pure Milk Co., J. J. Joubert Co., Borden Co., Ernest Cousins Ltd., Mount Royal Dairy and other concerns, in some of which there is a public investment interest.

Protect Responsible Group

It is stated that the bonding of dairy companies is being undertaken as a means of protecting producers as well as responsible dairy companies. It will, it is hoped, serve to curb the practice—one which has repeatedly disrupted Montreal market conditions—of small, fly-by-night and irresponsible dairy concerns starting up in business, cutting the rates paid to farmers and then going into voluntary bankruptcy, leaving the farmers holding the bag to the extent that they are unable to collect money due for their milk.

Must Submit Reports

Under the new Dairy Industry Act the commission has the power to inspect, at any time, the books of any dairy firm and obtain information in regard to the amount of milk, cream, buttermilk, cheese, butter, etc., sold by individual distributors. It is understood that the commission will, besides undertaking periodic inspection of the books of the dairies, ask the distributors to submit reports to the commission at regular intervals, these reports dealing with operations, etc.

Foreign Exchange

CANADIAN dollars, sterling, francs, reischmarks and lira gave strong displays in the United States during the week ended May 29. In other words, weakness of the United States dollar featured foreign exchange markets during the week.

Abandonment of the gold standard in the United States by legislative enactment was apparently a prime factor in the tendency to flee the dollar. Psychology of exchange dealers and speculators must be given considerable credit for these changes. It is the third time the United States has abandoned the standard. First it was done by a gold embargo, then it was admitted officially, and now it has been done by legislation.

* * *

A FACTOR which may have tended to weaken United States dollars was the lowering of the discount rate of the Federal Reserve Bank of New York from three to 2½ per cent. It is not infrequently the case that lower money rates cause transfers of funds, but at present psychology is believed by exchange authorities to be at least as important to quotations.

In Canada, reduction of the interest rates on savings deposits, and accompanying lower yields for Government securities does not appear to have had any adverse effects on the Canadian dollar. In fact the lower yields on gilt-edged securities and the rise in our dollar may indicate that funds are being transferred into Canada.

Canada is still a heavy seller of wheat, and this is an important factor of strength to our dollar.

The week's quotations follow:

FOREIGN EXCHANGE
New York Funds

	High (Premium)	Low (Premium)	Last Year High (Premium)	Last Year Low (Premium)
	%	%	%	%
May 22	15	14 13-16	15 1-8	14 1-8
May 23	14 11-16	14 5-16	15 5-8	15 1-16
May 24	......	......	......	......
May 25	14 5-8	14 1-4	14 7-8	14
May 26	14 3-4	14 1-2	14	13 5-8
May 27	14	13 1-4	14 1-2	13 3-4
May 29	13 5-8	12 5-8	13 7-8	13 5-8

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
May 22	3.88 7-8	0.452 7-8	0.600 3-4
May 23	3.91	0.455 7-8	0.602 3-4
May 24	3.92 7-8	0.456 7-8	0.603 3-4
May 25	3.91 7-8	0.456 7-8	0.604 3-4
May 26	3.89 7-8	0.455 3-8	0.601 3-4
May 27	3.97 1-8	0.466	0.613 1-4
May 29	3.97 1-8	0.467	0.615 3-4

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.3918	$0.0526
May 22	4.64 3-4	0.0519 3-4	0.0689 3-4
May 23	4.48 1-4	0.0522	0.0689 1-4
May 24	....	....	....
May 25	4.48 3-4	0.0522 3-4	0.0692
May 26	4.48 1-4	0.0522 3-4	0.0690 1-4
May 27	4.50 3-4	0.0528 3-4	0.0696 3-4
May 29	4.50 3-4	0.0533 3-4	0.0702 3-4

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
May 22	0.3115	0.1843 1-2	0.2775
May 23	0.3106 1-2	0.1849	0.2764
May 24	....	....	......
May 25	0.3114	0.1854 1-2	0.2777
May 26	0.3116 1-2	0.1854 1-2	0.2777
May 27	0.3149 1-2	0.1861	0.2752
May 29	0.3139 1-2	0.1891 1-2	0.2734

SAFETY OF CAPITAL—CERTAINTY OF INCOME

Thoroughly Experienced

in undertaking the care and management of the property of clients and their families.

Crown Trust Company

393 ST. JAMES STREET • MONTREAL

LET US SERVE YOU AND YOUR FAMILY

CHASE & SANBORN'S COFFEE

Canada's favorite for half a century

A quality product of

STANDARD BRANDS LIMITED

HEAD OFFICE: MONTREAL

A Canadian corporation operating Canada's largest fresh food delivery system

MANUFACTURERS AND DISTRIBUTORS OF

Fleischmann's Bakery Products - Fleischmann's Yeast for Health - Magic Baking Powder - Gillett's Lye - Royal Yeast Cakes - Chase & Sanborn's Tea and Coffee

Quebec Dairy Commission Appoint Permanent Officers

Henri C. Bois, B.A., B. Sc., chief of the rural economy service of the Quebec Department of Agriculture, has been appointed chairman of new permanent commission on the dairy industry in that province. Other members of the commission are: David Black, farmer, Argenteuil; Georges Cayer, general inspector of butter and cheese factories for the province; Jules H. Cote, manager of the Laval Dairy, Quebec; J. F. Desmarais, manager of the Co-operative Federee de Quebec; Theo J. Lafreniere, sanitary engineer of the provincial Board of Health, Montreal; and Albert Rioux, president of the Catholic Farmers' Union. Marc Hudon, of the Department of Agriculture here, will act as secretary.

The law creating the commission was passed last session, and provided also for appointment of a superintendent of the dairy industry. Mr. Cayer, who has been doing work in this respect for a number of years, will occupy this post.

The new commission will have extensive powers, in regard to supervision of the industry, inquiry into its operation, making suggestions to the minister, etc.

Rainville and Haydon Start Investment Firm

From Our Own Correspondent

MONTREAL. — Robert H. Rainville and H. H. Haydon have entered into partnership under the firm name of Rainville, Haydon and Co., and will specialize in gold mining securities, as well as conduct a general brokerage business. The head office of the new company is in Montreal.

Mr. Rainville has severed his connection with the Canadian Westinghouse Co. to devote his time exclusively to the new company.

Mr. Haydon was formerly a director and treasurer of Aldred and Co. Prior to coming to Montreal he was manager of Knauth, Machod and Kuhn, New York City, members of the New York Stock Exchange. Before this, and during the war, he was District Comptroller, with headquarters in Philadelphia, of the United States Shipping Board Emergency Corp.

Montreal Exports Larger

Exports from the Port of Montreal for the fiscal year ended March 31, at $122,974,026, exceeded imports by $7,686,803, according to a report of the Dominion Bureau of Statistics.

Henry Ford
Dearborn, Mich.

May 15, 1933

Time and again I am told—by my own organization and by others—that I penalize myself by quality.

Friendly critics protest our putting into the Ford V-8 what they call "twenty-year steel." They say such quality is not necessary; the public does not expect it; and that the public does not know the difference anyway.

But I know the difference.

I know that the car a man sees is not the car he drives—he drives the car which the engineer sees. The car which is seen, comprises beauty of design, color and attractive accessories,—all desirable, of course. The best evidence that we think so is that they are all found on the Ford V-8.

But these are not the car. The car proper, which is the basis of all the rest, is the type of engine and its reliability; the structure of chassis and body, ruggedly durable; the long thought and experiment given to safety factors; the steady development of comfort, convenience and economy. These make the car.

A car can be built that will last two or three years. But we have never built one. We want the basic material of our car to be as dependable the day it is discarded as the day it is bought. Ford cars built 15 years ago are still on the road. It costs more to build a durable car—but two items we do not skimp are cost and conscience. A great many things could "get by"—the public would never know the difference. But we would know.

The new Ford V-8 is a car that I endorse without any hesitancy. I know what is in it. I trust our whole thirty years' reputation with it. It is even better than our previous V-8. It is larger, more rugged and mechanically a better job all round.

I readily say this in an advertisement because I know the car will back it up.

Henry Ford

This recent letter from Henry Ford expresses the fundamental policy behind the Ford car. It is so frank, clear and convincing that it is reprinted here by the Ford Motor Company of Canada, Limited.

Utilities and Transportation

MONTREAL POWER SECURES ANOTHER MUNICIPAL PLANT

Offer of $100,000 for Pointe Claire System Accepted by Ratepayers

From Our Own Correspondent

MONTREAL. — Ratepayers of the Town of Pointe Claire have approved sale of the municipality's power plant and distribution system, with the exception of street lighting equipment, to Montreal Light, Heat and Power Consold. The deal has to be ratified by Quebec before it is complete.

Montreal Power offered the town a cash sum of $100,000 for its plant. In addition the town retains the privilege of charging a royalty of 2 cents a kilowatt hour on all electricity sold for lighting and 1½ cents per kilowatt hour on electricity sold for cooking service. The royalty on lighting service can be enforced for a maximum period of 10 years and on cooking service for 5 years. The revenue derived by the town from this source will amount to between $12,000 and $13,000 annually.

Proceeds of the issue will be used by Pointe Claire to wipe out the municipal debt in connection with its electric distribution system.

Charge Standard Rate

One of the conditions of the sale of the system is that Montreal will make the standard charge for electric lighting service, namely, 3 cents per kilowatt hour as compared with the present charge of 6 cents. The imposition of the 2 cent royalty, will make the charge to Pointe Claire consumers 5 cents a kilowatt hour.

Acquisition of the Pointe Claire system gives Montreal Power control of all municipal lighting services on the Island of Montreal with the exception of three cities and towns. Over the last two or three years the company has acquired several of the smaller systems which have been linked in with its own. The population served by the company consequently has increased substantially.

NATIONAL SYSTEM REVENUES LOWER THIS YEAR TO DATE

Returns of C. N. R. for Four Months Show Decline of $3,611,508

From Our Own Correspondent

MONTREAL. — Despite heavy economies, net operating incomes of the Canadian National Railways System for April and the first four months of 1933 are less than reported a year ago.

The April monthly statement of revenue and expenses shows gross earnings of $11,110,406 for the all-inclusive system. These revenues show a decrease of $2,419,525 from the figures of April, 1932.

Operating expenses in April this year were $7,245,245, a decrease of $1,501,728 in expenses from the same month a year ago, leaving a net revenue deficit for April last of $134,839 as against net revenue of $782,977 for the same month a year ago.

Gross Revenues Lower

For the initial four months of 1933, gross revenue of the all-inclusive Canadian National Railways System amounted to $41,688,433. Against this operating expenses total $45,846,515, leaving an operating deficit of $4,158,082. For the corresponding four months of 1932, Canadian National had a gross income of $53,185,255. This was slightly less than operating expenses, with the result that the system reported an operating deficit of $546,574.

Net operating results for the first four months of this year, compared with the same period in 1932, show an adverse difference of $3,611,508.

CANADA NORTHERN INCOME IMPROVES

Gain in Customers, Output and Earnings Shown for April

From Our Own Correspondent

MONTREAL. — Reflecting an increase in number of customers and power output, Canada Northern Power's gross revenue for April totalled $292,757 compared with $286,552 for the same month last year. Operating expenses showed a small increase, leaving net income at $202,344, a gain of $3,184 for the figure reported for April, 1932.

For the four months period ended April 30 last gross income aggregated $1,190,408, or $37,507 more than for the corresponding months of 1932. Operating expenses increased by only $4,776, leaving a net income for the January-April period this year of $828,030 compared with $795,299 last year.

Total power output for April was 38,377,140 kw.h. as against a corresponding figure of 36,277,730 kw.h. For the four months period power output totalled 152,899,620 kw.h., an increase of 9,174,830 kw.h. or over 6 per cent. During April 35 new customers were added to the company's system, bringing the total to 12,634 at April 30 last, as against 11,743 on the same date last year.

St. Maurice Valley Paper Sues Price Bros. Sales Corp.

From Our Own Correspondent

MONTREAL.—St. Maurice Valley Paper Co. has instituted an action for $740,386 against Price Brothers Sales Corp. for goods sold and delivered. This is an aftermath of the recent unsuccessful lawsuit by Price Bros. and Co. against the Newsprint Institute of Canada.

St. Maurice's claim is reported to represent tonnage delivered to Price Brothers Sales Corp. during the time the Newsprint Institute was in existence.

Price Brothers Sales Corp., now headed by J. H. Price, former president of Price Brothers and Co., will contest the action on the grounds that it was not they who sold and delivered the tonnage in question. When the case comes before the courts, maybe in September, it is probable that the whole of the evidence adduced in the $750,000 action against the Newsprint Institute will be repeated.

B.C. Electric May Send Power To Bridge River

From Our Own Correspondent

VANCOUVER.—British Columbia Electric Railway stands to gain considerably through hydro-electric development in the Bridge River Country necessitated by expansion of the mining industries there.

Thirty-five miles of transmission line would connect the great Bridge River-Seton Lake development project with the mines, and a single unit plant at Seton Lake could be installed in a comparatively short time, according to company engineers.

Development of the B. C. Electric power development in that section was suspended some months ago after a 13,200-foot tunnel had been driven through Mission Mountain to divert Bridge River water to Seton Lake.

Independent Vancouver interests are reported to have made preliminary plans for harnessing power on Gun Creek, near the Bridge River mining area. Forty thousand horsepower is said to be available at that point.

CANADIAN PACIFIC OPERATING INCOME ON LIMITED SCALE

Returns for April Do Not Evidence Change in Situation

From Our Own Correspondent

MONTREAL.—Both gross and net operating income of the Canadian Pacific Railway fell away in April last as compared with the same month a year ago, while in comparison with the preceding month there was a seasonal drop.

No particular reason is attributed to the lower gross income in April, earnings during that month usually showing a falling off from March. The expected improvement in gain export business did not materialize while business activity in April did not show any pronounced improvement.

Below 1932 Figures

Gross income from railway operations in April, 1933, totalled $7,921,872. This compares with $9,511,106 a year ago. Offsetting this a drop of $1,589,233 in gross, working expenses were cut by $1,209,215, leaving net income at $538,465, or $380,017 less than in April, 1932.

Cumulative returns for the first four months of 1933 show a gross revenue of $31,494,577, a decrease of $6,536,564 from the figures reported for the corresponding period of 1932. Economies in working expenses were insufficient to offset the drop in gross so that net earnings this year totalled $1,835,944 compared with $2,935,898 for the same months last year. This is the lowest net operating figures reported for the first four months of any year for some time past.

Mine Operations Gain for Dominion Coal Co.

From Our Own Correspondent

MONTREAL.—Several collieries of the Dominion Coal Co. are expected to work at least four shifts during the current week, marking the first upturn in the coal trade in many months. Eight collieries will be working their second shift for the first time this week.

The Sydney steel plant is reported as preparing to begin rolling a 50,000 ton rail order in the near future. No confirmation is to be had on this order which has been rumored for several weeks past. If the business is secured approximately 200,000 tons of coal will be required to produce the steel, providing the mines with full time work for several months.

Public Utility Earnings

Can. Western Natural Gas

	1932 $	1933 $	Decrease $
January	296,751	299,064	*2,313
February	338,591	314,774	23,817
March	287,945	250,935	37,010
Aggre. from Jan. 1 to Mar. 31	923,287	864,773	58,514

* Increase.

Winnipeg Electric

	1932 $	1933 $	Decrease $
Gross Earnings	514,102	469,807	44,295
Expenses	318,240	294,829	23,411
Net Earnings	195,862	174,978	20,884
Aggre. Gross fr. Jan. 1 to end of March	1,537,460	1,428,527	108,933
Aggre. Net from Jan. 1 to end of March	593,969	544,806	49,163

Barcelona Traction

April:	1933 Pesetas	1932 Pesetas	Increase Pesetas
Gross earn.	8,954,467	8,971,999	*17,532
Oper. exp.	3,200,016	2,953,342	246,674
Net earn.	5,754,451	6,018,657	*264,206
From Jan. 1:			
Gross earn.	39,702,189	39,049,021	653,168
Net earn.	26,729,595	26,521,471	208,124

*Decrease.

Canada Northern Power

April:	1933 $	1932 $	Increase $
Gross earn.	292,757	286,552	6,205
Oper. expen.	90,413	87,392	3,021
Net earn.	202,344	199,160	3,184
Four Mos. end. Apr. 30:			
Gross earn.	1,190,408	1,152,901	37,507
Oper. expen.	362,378	357,602	4,776
Net earn.	828,030	795,299	32,731

Railway Earnings

Canadian National Railways

April	1933 $	1932 $	Decrease $
Gross Rev.	11,110,406	13,529,951	2,419,545
Oper. Exp.	11,245,245	12,746,974	1,501,728
Net Rev.	*134,839	782,977	917,817
Aggregate to April 30, 1933:	$	$	$
Gross Rev.	41,688,433	53,185,255	11,496,822
Oper. Exp.	45,846,515	53,731,829	7,885,314
Net Rev.	*4,158,082	*546,574	3,611,508

* Deficit.

Canadian Pacific Railway

April:	1933 $	1932 $
Gross earnings	7,921,872	9,511,106
Working expenses	7,383,407	8,592,623
Net earnings	538,465	918,483
From Jan. 1:		
Gross earnings	31,494,577	38,031,142
Net earnings	1,835,944	2,935,898

NEW BRUNSWICK POWER EARNINGS ON BETTER BASIS

Gross Income Lower, But Net Revenue Moves Forward

From Our Own Correspondent

MONTREAL—Though no improvement is now apparent in gross revenues of New Brunswick Power Co., serving Saint John and district, net income is on a better scale as the effect of economies and wage reductions is now being felt. The company has been able to hold the greater percentage of its customers and the falling off in revenues is more a reflection of general conditions than due to a smaller number of unit sales.

On operations last year New Brunswick Power was able to show a gain of five per cent in the residential lighting revenue. Commercial lighting declined about 10 per cent. The local industrial power load registered a decline of eight per cent. This does not include loss of power load previously supplied to the New Brunswick Power Commission and now taken care of by their own new steam plant at Minto.

The gas division reported a decline of about 11 per cent in consumption last year. Street railway operations also experienced a recession, dropping off about 17 per cent.

Recorded Small Loss

The loss in net revenues was not as great as the percentage decline in gross income. After providing for all senior charges, but not including depreciation, New Brunswick Power had a deficit of $25,843 for 1932. An additional charge during the year and one which contributed heavily to the deficit was the purchase of United States funds.

No dividends were paid by the company on its capital stock during the past year.

ACTION IS TAKEN TO STOP DUMPING BITUMINOUS COAL

British Producers Invoiced Coal at Below Market Prices

From Our Own Correspondent

OTTAWA. — Action to prevent the dumping into Canada of British bituminous coal was taken by the Federal government last Saturday and, according to unofficial but reliable information, will be followed by similar measures to protect domestic producers of coke.

According to the National Revenue department, British collieries have been dumping substantial amounts of non-anthracite coal in Canada for some months. The grand total of exports to Canada does not run into high figures—approximately 40,000 tons in the past year—but this fuel has been landed in Canada in small amounts and has been a very disorganizing factor in the Canadian market. Ordinary price levels have been broken and a condition of confusion has been brought about. The results, in fact, are said to far exceed in importance the actual displacement of Nova Scotia coal.

Survey Costs

Requests for anti-dumping measures have been lodged at Ottawa by the Nova Scotia collieries on numerous occasions and have been backed up with most emphatic representations. But before taking action, the National Revenue department sent officials to Great Britain to make a first hand enquiry into production costs and prices prevailing in the British market. It is as a result of the report from these officials that action has been taken.

Under British law, the British market is divided into a dozen or more zones and minimum prices are fixed for each of them. The National Revenue department has now instructed all customs officials to make certain that the price at which coal is exported to Canada is not less than the minimum price in the particular zone whence the coal was shipped. In one instance, a few days ago, a shipment of British coal was landed in Canada invoiced at nine shillings six pence per ton. In the zone from which it was exported, the minimum price was nineteen shillings six pence. This, it is declared, is a clear cut example of dumping.

Dump Duty

Under the new order, a dump duty equivalent to the difference between the invoice price and the minimum price in the zone where the coal came from will be charged by the Canadian government. It is not anticipated that the dump duty will yield any revenue, but it will have the effect of raising import prices of British coal and of preventing wide price fluctuations.

B. C. Power Earnings Show Further Decline

From Our Own Correspondent

MONTREAL. — British Columbia Power Corp. reports gross income of $1,018,220 for April last, as compared with $1,152,396 for the same month last year. Operating expenses were reduced, leaving net earnings for April, 1933, at $334,132 compared with $348,607 for April, 1932.

Cumulative returns for the ten months ended April 30 this year show gross revenue of $10,800,358, operating expenses of $5,989,693 and net earnings of $4,810,665. For the corresponding period of the previous year gross income aggregated $11,986,968 and net revenue $5,313,157.

A. Matthews Joins Board of Toronto Gen. Trusts

Arnold C. Matthews has been elected a director of Toronto General Trusts Corp. to succeed his brother, the late Wilmot L. Matthews. Mr. A. C. Matthews, has within the past two weeks been elected a director of the Dominion Bank and Canada Malting Co.

Mr. Matthews is prominent in the grain trade and is a director of Maple Leaf Milling Co. and other organizations.

Int. Utilities Regains Dominion Gas System Plans Large Financing

(Continued from page 1)

is their own interest to agree to the indenture being amended as proposed. The proposal is to take out the $4,000,000 of bonds of four electrical subsidiary companies pledged as part of the security of the $8,000,000 bond issue and to substitute from $2,000,000 to $3,000,000 of bonds of these subsidiaries. The latter bonds could be sold and the proceeds used to pay off $326,735 owed the Royal Bank by Canadian Utilities, one of these electrical subsidiaries, and the rest to retiring bonds of Dominion Gas.

With International Utilities turning in $1,000,000 of its Dominion Gas bonds it would be possible by sale at a fair price of $3,000,000 subsidiary bonds to buy up at the offering price of 60 for half and 70 for half the $3,000,000 of Dominion Gas bonds still held by International Utilities. In that event the remaining $4,000,000 of Dominion Gas bonds would have as security no bonds at all, but the company would still have the following stocks of its chief subsidiaries: 94 per cent of common stock of Canadian Western Natural Gas, Light, Heat & Power Co., more than 95 per cent of the common stock of Edmonton Utilities, which owns all the common stock of Northwestern Utilities, 14,933 shares of eight per cent cumulative preference stock of Northwestern Utilities and preferred stock of other operating gas subsidiaries. It would have controlling shares of all subsidiaries.

Asked to Give Away Priority

Moreover, Dominion Gas bondholders are asked to consent to subsidiaries being allowed to finance by making issues to the public. In other words, they are asked to consent to the establishment of large and small bond and stock issues which will be prior to their own bonds. The argument for this is four-fold: first, that these subsidiaries need to finance for expansion purposes or to refund old obligations; second, that they cannot be financed any more by sale of parent company obligations; third, that the parent company can only succeed as subsidiaries flourish; and fourth, that the policy of retiring Dominion-Gas bonds in order that junior stocks owned by International Utilities will be more valuable will in the meantime increase the value of the bonds.

Bondholders face the fact that International Utilities will regain control in any case as it is scarcely likely that American Commonwealth Power Corp. can meet the maturity on July 1. They will probably be pleased about that but a measure of opposition appears to be developing to relinquishing such protection as is afforded by the $4,000,000 of bonds of electrical subsidiaries. International Utilities evidently plans large-scale financing, when the market is ripe, both by selling parent and subsidiary securities. Opposing bondholders ask that, whatever change is made, it shall not make their security less either in legal phraseology or actually.

International Utilities Controls

All of the stock of the new company is to be disposed of as shown in the following table:

	New pref.	New common
International Utilities	25,000	146,223 1-15
25,000 shs. old 1st pref.	0	6,250
41,534 old 2nd pref.	0	2,768 14-15
1,000,000 shs. old com.	0	1,425

International Utilities also gets a note for $212,036 given by American Commonwealth Power Corp. and 5,000 shares of preferred stock $6 series (second preferred) of American Gas and Power Co. pledged as collateral for this note. It will be seen from the above statements that American Commonwealth Power Corp. still retains a small minority interest in Dominion Gas and Electric. International Utilities has been doing a great deal of dickering with American Commonwealth Power Corp. for other utility properties and doubtless the obtaining of this note is only one item in a plan to rid the parent company of its pressing obligations.

Lose "First Lien"

Instead of being called "first lien and collateral trust gold bonds" in future the bonds will be known as "collateral trust gold bonds." This is because bondholders are required to consent when they deposit their bonds, to the freeing from pledge of $4,000,000 of mortgage bonds of electrical company subsidiaries and the substitution of from $2,000,000 to $3,000,000 bonds which may be sold. For example, Canadian Utilities Limited, formerly Mid-West Utilities Limited, which produces and distributes electric light and power to the communities of Grande Prairie, Vegreville and Raymond in Alberta and Kindersley, Rosetown, Prince Albert, Yorkton, Indian Head and Lloydminster in Saskatchewan, as well as to 40 other communities, issued $2,450,000 6½ per cent first mortgage bonds which were deposited as security for the parent company's first lien bonds.

The Nanaimo Electric Light, Power and Heating Co., Ltd., which owns and operates a power plant in Nanaimo, B.C., on Vancouver Island, has also pledged its entire issue of $500,000 6½ per cent first mortgage bonds as security for the parent company's first lien bonds.

Union Power Co., which produces and distributes electric light and power to the communities of Drumheller, Hanna and 31 other communities in Alberta has pledged as security for the parent company's first lien bonds its entire issue of $950,000 6½ per cent first mortgage bonds.

Likewise, Duncan Utilities Ltd., which owns and operates the electric light and power and waterworks system in the town of Duncan, B.C., and district on Vancouver Island, has pledged an issue of $100,000 6½ per cent first mortgage bonds as security for the parent company's first lien bonds.

Important Financing Foreseen

The main reason for desiring the reorganization of capital of Dominion Gas and Electric Co. is not only in order to remove these bonds as pledged security behind the Dominion Gas bonds but to issue bonds of their subsidiary companies as well. Holding company bonds cannot be sold under present market conditions.

The possibility is even indicated that these four companies might amalgamate into one electrical company subsidiary in that power is asked to finance in that way, if necessary. It is provided that any new securities issued of the subsidiary companies may have an interest rate not less than 5 per cent and not more than 6½ per cent and any maturities are permitted. Such issues cannot be made to the general public so long as the $4,000,000 of bonds are pledged behind the $8,000,000.

In contemplating further financing, International Utilities clears the way by surrendering $1,000,000 of the 6½ per cent first lien bonds now owned by it. This reduces the annual requirements for interest on the funded debt and a much larger reduction of interest payments is involved in the cancellation of the $3,000,000 of 6½ per cent notes. The requirements for preferred dividends are also greatly reduced. In addition to $4,000,000 of the gold bonds held by International Utilities it is understood that it already holds a substantial minority interest in the preferred stock and common stock.

The board of directors has named as their committee, to recommend bondholders to deposit their bonds and to look after all details of the reorganization, the following: H. R. Milner, K.C., president; Wiley F. Corl and Britton A. Howe.

Parent Company Powerless

Dominion Gas and Electric was organized June 17, 1930, under the laws of the State of Delaware. It owns 95 per cent of the Canadian Western Natural Gas, Light, Heat and Power Co. stock, all of the second preferred of Northwestern Utilities and 96 per cent of the common stock of Northwestern Utilities, all of the first mortgage bonds and all of the stock of Canadian Utilities, Duncan Utilities, Nanaimo Electric Light, Power and Heating Company, Union Power Company and Gas Production and Transport, except directors' qualifying shares.

American Commonwealth Power Corporation, which is the parent company, expected to meet the capital requirements of most Canadian subsidiaries by issues of bonds and junior securities of Dominion Gas and Electric. Under the indenture no subsidiary can issue bonds unless deposited under the indenture. Preferred stock issues also must be so deposited, except for certain customer ownership campaigns permitted as it is difficult to finance in that way at present, it is claimed that Canadian subsidiaries should be given the power to issue first mortgage bonds and other obligations payable preferably in dollars and sterling and an allotment of 6½ per cent first lien bonds payable in United States dollars.

Has Whip Hand

As the $3,000,000 notes mature on July 1, International Utilities could get control in any event as it is scarcely likely that the parent company, American Commonwealth Corporation, now in receivership, can meet the maturity. Even if time were extended by International Utilities it is urged that the problem of meeting future capital requirements of subsidiaries would still remain.

It is proposed that the new preferred issue should be $7, non-cumulative for two years. It would be entitled to $110 a share in the event of voluntary liquidation and $100 a share in the event of involuntary liquidation. It would be redeemable at $110 and have the right to vote when $7 a share would be in arrears. It would also be convertible into common shares at the rate of six new common shares for each share of preferred.

Warrants Become Interesting

The warrant situation is also dealt with. There are now outstanding warrants attached to the 6½ per cent bonds to buy 120,000 shares of present common stock at $10 a share up to June 30, 1940, as well as other warrants to buy 37,500 shares. As International Utilities proposes to donate $1,000,000 bonds to apply against sinking fund, the warrants to buy 15,000 common shares on these are cancelled, and the warrants to buy 37,500 shares are to be cancelled also. In the case of the remaining warrants to buy 105,000 shares the right will be given to buy the same number of shares of new common stock at $7.50 a share up to Sept. 1, 1934. This amendment is important as otherwise only one-five-hundredth of a share of new common stock would be granted to each old warrant to buy one share of the present common stock.

Offering Stock

All holders of securities of the company and of the parent company, American Commonwealth Power Corp., will have the right to buy additional shares of unissued new common stock. The company purposes to offer 140,000 shares of new common stock at $7.50 a share to present stockholders and also to holders of debentures, proved claims and stock of American Commonwealth Power Corp. because that corporation owns a large amount of the present outstanding stock of Dominion Gas. The subscription rights will remain open for three months after the new plan becomes operative and will be paid as follows: $2.50 at the time of subscription, $2.50 within six months and $2.50 within nine months of the date of the first offering. Proceeds will be used for providing working capital of not more than half a million dollars, from which expenses of the plan will be met, and the rest to retire 6½ per cent bonds.

Sales of bonds of subsidiaries pledged behind Dominion Gas bonds under amended debenture will be applied to paying bank loan of $326,735 and the rest to retiring bonds of Dominion Gas, tenders to be invited whenever the Guaranty Trust Co., as trustee, retires more than $100,000. Any money from other bond or stock sales must be applied to capital expenses to the extent of 80 per cent if expenses are made after January 1, 1933.

May Exchange Bonds

Contingent upon revision of the capital structure, International Utilities Corp. has agreed to give the company the option to buy at any time prior to the expiration of six months from the time when capital revision is affected up to $1,500,000 of its holdings of bonds at 60 per cent and a further option for another six months to buy remaining bonds at 70 per cent of principal amount. Under this plan, International Utilities could exchange for some of the subsidiary bonds.

It is provided that no subsidiary shall pay dividends upon its common stock so long as it owes money to the corporation.

In view of the expressed intention of the company to finance through subsidiaries in great part in future, it is interesting to note the issues outstanding and the lines along which financing may go.

N. W. Utilities Must Finance

Northwestern Utilities, which supplies natural gas to Edmonton, was authorized to issue $4,000,000 of first mortgage 15-year 7 per cent bonds due July 1, 1938, and it has outstanding $2,551,700 on May 1, 1933, with $1,448,300 in the treasury. Interest is payable in United States or Canadian funds. The indenture provides that the company shall set aside 6 cents per 1000 cubic feet of gas sold in 1933 for the sinking fund and 7 cents in 1934 and thereafter. In 1933 sinking fund payments amounted to $294,000 and will increase as consumption does. Originally the sole supply of gas was from the Viking field and at the time of opening this was expected to provide a 20-year supply. The Kinsella gas field has since been proved, and is sufficient, the officials say, "to provide gas for a long time after the Viking field is exhausted."

The original single pipe line between the Viking field and Edmonton has been found inadequate and another is being built. There remain forty miles of construction to finish an additional and parallel pipe line and the Kinsella field must also be connected with the Viking field. This will cost $1,500,000 but financing cannot be done until the indenture underlying Dominion Gas bonds and forbidding issue of subsidiary unpledged bonds is amended. Northwestern Utilities wants to retire its present bonded debt with a new issue of bonds sold to the public and to provide that the new bonds shall have less onerous sinking fund provisions.

May be Electrical Merger

In selling, in the future, bonds of four electrical subsidiaries or a merged company holding the four, precedence will be given to a loan of $326,735 advanced to Canadian Utilities by Royal Bank to finance capital expansion and which the subsidiary is obliged to pay off at the rate of $5,000 monthly until paid. This loan was originally $750,000 to enable the company to obtain the electric property at Prince Albert, Sask. There have been other additions, betterments and improvements which it is also desired to fund. The Dominion Gas indenture stands in the way; if it is amended it is proposed to create one or more open end first mortage indentures with such restrictions as to issue of bonds as the issuing corporation shall determine.

It is a very important change to bondholders of Dominion Gas as indicated by the fact of the very change in the name: instead of "First Lien and Collateral trust gold bonds" it becomes "Collateral Trust gold bonds 6½ per cent series."

One clause asks bondholders to agree that "any failure on the part of the company prior to the date of the supplemental indenture to observe any of the covenants in the bonds or indenture shall not be made the basis for an event of default under the indenture."

London—June 12th

The eyes of the financial and business world are turned toward London, where on June 12th the World Economic Conference is scheduled to commence. Our June Review and Bond List comments on this and upon other topics of current interest to those reviewing the financial situation.

Write for June Review and Bond List.

A list of Canadian government, high grade municipal and also corporation bonds is offered in this booklet.

We shall be pleased to forward copy upon request.

Wood, Gundy & Company Limited

Toronto Vancouver | Montreal New York | Winnipeg London, Eng.

Grow Industrially With Canada

For confidential co-operation and data (gratis) on all factors relating to branch plants, warehousing Canadian representation, etc., and natural resources, write to the

INDUSTRIAL AND NATURAL RESOURCES DEPARTMENT

Canadian National Railways

Make Use of Our Library

NEW YORK, N.Y. M. W. Maxwell Industrial Commissioner, 673 Fifth Ave.

MONTREAL, P.Q. Wm. Phillips, Manager, 355 McGill St. (Room 306)

For Information re NATURAL RESOURCES IN WESTERN CANADA write—

F. V. SEIBERT — Sup't. Natural Resources

WINNIPEG, MANITOBA

Ontario Succession Duty Act Amendments

New rates and exemptions apply to estates of persons dying on or after the 18th April, 1933.

Our Digest on this subject with all amendments is now available.

Write or call for a copy.

THE STERLING TRUSTS CORPORATION

Sterling Tower, TORONTO

News of Investment Markets

MAPLE LEAF BONDS DENIED U. S. DOLLARS

Think Bondholders Can Enforce Payment U. S. Funds

HAVE GOLD CLAUSE

Interest on 5½'s Due 1949 Has Been Paid Regularly But Working Capital Deficient

Announcement has been made by Major A. E. Nash, a director of Maple Leaf Milling Co., that the company would make payment of June 1 interest on its 5½ per cent first mortgage bonds in Canadian funds only. Interest and principal on the bonds is payable in Canadian gold coin, United States gold coin or in sterling at $4.86 2/3, according to the trust deed.

There has been no indication yet of any action by bondholders to try to get payment according to the terms of the bonds. Bondholders could probably enforce such payment in the opinion of students of international and corporation law. The alternative would be foreclosure of the mortgage.

There would appear to be little doubt that bondholders can enforce payment of their June 1 interest in lawful United States money or in sterling at $4.86 2/3. It will be remembered that the city of Calgary refused to pay United States bondholders in United States funds, and court action ensued. According to students of international law, a corporation owing a debt payable in foreign money can be compelled to pay in such money. Although it has been declared by the United States government that gold coin need not be paid to settle debts, the embargo would not apply to payment in lawful money of the United States. Thus holders of Maple Leaf Milling 5½'s of 1949 should be entitled to U. S. funds, according to the lawyers.

Refusing Gold Also

Many British commentators have recently stated that it is default, if payment in gold is refused to holders of United States gold clause bonds. The Maple Leaf Milling bonds are payable in Canadian or United States funds and in sterling at $4.86 2/3.

The company is refusing this and is also refusing gold or its equivalent. Although there is some legal doubt about the validity of the gold clause, lawyers think there is certainty about the necessity of a debtor *paying* in the lawful *money* of any country in which his debt may be payable.

Although Maple Leaf Milling Co. suffered enormous losses in 1930, so that the company now has an excess of current liabilities over current assets, interest on the first mortgage bonds has been paid regularly. These losses were suffered through unauthorized loans and speculations of former officials of the company.

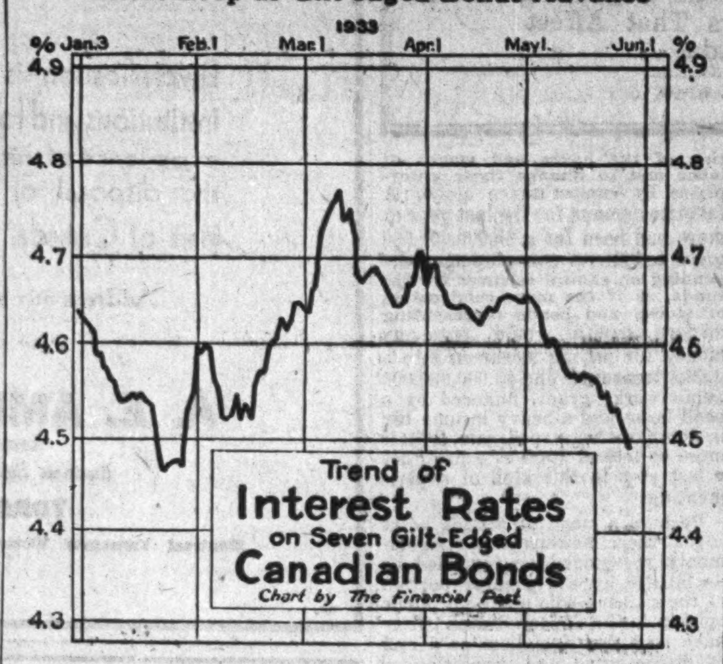
While some earning power was lost through these 1930 raids on the company's purse, the major earning assets still belong to the company. Apparently the chief hope for preferred and common stockholders is to continue operation of the company until profits can be gained which will wipe out the shortage in working capital account. If bond interest were passed, holders of junior securities might sacrifice all chance of regaining part of their losses.

Think Interest Justified

The company is justified in paying bond interest, in the opinion of directors, because there is still a credit balance in surplus account. The shortage of working capital has apparently not been considered sufficient reason to default on the bonds. The present move to pay only in Canadian funds is understood to be a move to reduce the fixed charges on the bonds as much as possible.

Banks are keenly interested in the operations of the Maple Leaf Milling Co., since they have lent nearly $6,000,000 to the company on the security of shares of subsidiaries and inventories. That was the position according to the last annual statement as of July 31, 1932. In brief, the banks were furnishing the working capital for the company at that time. The banks, therefore, have similar interests to the preferred and common shareholders of the company, but are secured ahead of the junior securities. It would help the position of the banks to have the company reduce its fixed charges as much as possible.

Yields Drop as Gilt-edged Bonds Advance



Downward trend of yields on high-grade Canadian bonds is shown in the above chart. The index used is comprised of seven Dominion of Canada, C. N. R. and Province of Ontario bonds. This chart is only indicative of the trend of yields on gilt-edged securities in Canada, and should not be construed as an average of such yields. If, for instance, only 4½ per cent bonds were included, the chart would show a lower yield, but the trend would be much the same. Offering prices only have been used to make the graph.

Government Bond Yields Down to January Levels

Possibility of a Successful Dominion Conversion on a Four Per Cent Basis More Hopeful—Recent Market Largely Dependent on Canadian Buyers

A convincing demonstration of strength was shown by Canadian high grade bonds during May. Toward the end of the month The Financial Post average of seven gilt-edged provincial, Dominion and C. N. R. bonds had dropped below 4½ per cent for the first time since late January. This figure does not mean anything in itself, but merely indicates the trend of the market toward higher prices and lower yields.

In view of the Dominion conversion loan scheduled for the early autumn, this downward trend of yields is important. The seven bonds included in The Financial Post's index include five per cent securities. The yield would be considerably lower if only 4½ per cent bonds were included. The hopes of the Government for a successful four per cent conversion loan may, therefore, not be so distant as they seemed a short time ago.

Reasons for Advance

Possible reasons for the advance include: reduction of bank interest on savings deposits in Canada on May 1; restoration of confidence because of improved Canadian and world conditions, and some increase in institutional demand.

The present Canadian bond market is dependent chiefly on internal demand for support, according to close observers. In normal times, when the tide of international lending is flowing freely, much of the market for Canadian bonds is in the United States or Great Britain. With these sources of money practically cut off, Canada has had to rely on her own citizens and institutions for financial support. The extent to which this has been given is indicated by the fact that banks' holdings of Dominion securities have been steadily advancing to unprecedented heights.

It is possible that the sharp upward trend of gilt-edged securities in Canada in May has been due to foreign support. But there is little evidence to support this. One keen student of Canadian bonds told The Financial Post that he believed the present market was 90 per cent of Canadian origin.

Banks have been a stabilizing factor in Canadian government bonds for many months past. They are believed by bond men to be the heart of the present market. Until recently institutions such as life insurance companies had not been nearly as active as they sometimes are in buying bonds in Canada. The average investor was not interested, but was apparently holding money because of its increasing purchasing power. The banks, on the other hand, increased their holdings of various kinds of Government debt from 14.6 to 32.2 per cent between January, 1930, and the same month this year.

The chart of average yield on seven high grade Canadian bonds shown on this page does not indicate an average yield on all Canadian Government bonds. It is useful only to indicate the trend of interest rates on the highest type of Canadian securities.

The actual yield basis of specific Government bonds would vary considerably from the 4½ per cent shown on the chart. Five per cent bonds would be above the average, and 4½ per cent bonds would be below it. There would also be a difference in yield depending on the maturity date of the bond.

The daily average shown in the chart is as follows, from Dec. 31, 1932:

Daily Average Yield on Seven Gilt-Edged Canadian Bonds on Offering Basis from Dec. 31, 1932

Date	%	Date	%	Date	%
Dec. 31	4.633	Feb. 18	4.574	Apr. 7	4.645
Jan. 3	4.624	20	4.598	8	4.641
4	4.617	21	4.604	10	4.640
5	4.611	22	4.607	11	4.643
6	4.591	23	4.628	12	4.640
7	4.591	24	4.617	13	4.631
9	4.578	25	4.625	15	4.624
10	4.564	27	4.647	19	4.620
11	4.563	28	4.647	20	4.635
12	4.543	Mar. 1	4.640	21	4.641
13	4.543	2	4.634	22	4.636
14	4.545	3	4.666	24	4.654
16	4.551	4	4.690	25	4.653
17	4.547	6	4.727	26	4.655
18	4.551	7	4.741	27	4.656
19	4.543	8	4.748	28	4.653
20	4.537	9	4.757	29	4.650
21	4.513	10	4.766	May 1	4.655
23	4.481	11	4.738	2	4.656
24	4.465	13	4.745	3	4.644
25	4.471	14	4.723	4	4.630
26	4.476	15	4.681	5	4.610
27	4.478	16	4.673	6	4.603
28	4.470	17	4.681	8	4.606
30	4.531	18	4.686	9	4.599
31	4.551	20	4.690	10	4.586
Feb. 1	4.597	21	4.680	11	4.576
2	4.590	22	4.666	12	4.570
3	4.600	23	4.656	13	4.570
4	4.598	24	4.640	15	4.566
6	4.574	25	4.643	16	4.574
7	4.557	27	4.647	17	4.570
8	4.524	28	4.671	18	4.567
9	4.523	29	4.670	19	4.563
10	4.525	30	4.706	20	4.549
11	4.550	31	4.708	22	4.553
13	4.523	Apr. 1	4.670	23	4.534
14	4.539	3	4.694	25	4.534
15	4.524	4	4.694	26	4.521
16	4.563	5	4.670	27	4.507
17	4.574	6	4.664	29	4.491

Walkerville Seeks $130,000 Loan for Housing Deficits

Walkerville, Ont., is preparing to float a debenture issue for $130.000 to finance accumulated deficits of the Walkerville Housing Commission, according to announcement by Mayor Farrow. If such an issue is successfully placed, it is expected by municipal authorities to help the town to avoid default in 1933.

It is reported that the proposed debenture issue has been approved by the Ontario Municipal Board. The town's 1933 budget provides for payment of $25,000 out of current tax receipts on the housing commission deficit. A large portion of the 1933 housing deficit will be included in the debenture issue, according to the mayor's announcement.

Bond Tenders

8 p.m., June 2, Terrebonne, P.Q.—$26,500, 5 per cent bonds dated June 1, 1933, redeemable serially, June 1, 1934 to June 1, 1953. Osias Vezina, sec.-treas.

5 p.m., June 6, Midland—$76,000, 5 per cent or 5½ per cent 5-year debentures for direct relief and taxes, guaranteed by County of Simcoe. Ralph R. Wilson, clerk.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. West. Nat. Gas	5%	1936	June 15	105
Can. Nor. Coal & Ore	‡5%	1936	June 1	105

‡$31,000 for sinking fund purposes.

ONTARIO OFFERS $25,000,000 LOAN 4, 4½% COUPONS

Yields 4.25 to 4.58% — To Fund Debts Already Incurred

Province of Ontario is offering $25,000,000 of 4½ per cent debentures dated June 1, 1933, to fund debts incurred for capital expenditures. The issue is divided into two sections: $10,000,000 of four per cent, five-year serial debentures, offered to yield 4.25 to 4.40 per cent, and $15,000,000 of 4½ per cent 17-year debentures, offered to yield 4.58 per cent.

The money received from the sale of the bonds will be used to take up short-term treasury bills covering expenditures which have already been made, The Financial Post is informed by officials of the provincial treasury. Uses to which the money has been put include various provincial activities, including the Temiskaming and Northern Ontario Railway.

Includes Relief

Some of the money sought will be used to fund expenditures on unemployment relief, The Financial Post is informed. How much is not known. At the time of presentation of the provincial budget, it was indicated that relief costs of $9,536,000 for the 1932-33 fiscal year would be funded. This will tally relatively closely with the amount being raised by the sale of the $10,000,000 of five-year serial debentures.

Funding of unemployment relief costs over five-year periods has been the plan followed by some Canadian municipalities recently. But officials of the province would not confirm to The Financial Post that this was the reason for the issue of the serial debentures. It was stated, however, that the loan included "some unemployment relief."

Applications for the bonds are being received by some 1,600 agencies in Ontario. These include branches of chartered banks, bond dealers, stockbrokers, and provincial savings offices.

Safeguard Subscription

A provision is made in connection with the five-year serial bonds that subscribers for amounts of $25,000 or over will be required to take approximately one fifth of their allotments in each maturity. This will ensure that the longer as well as the shorter maturities of the serial issue will get a relatively uniform subscription. Otherwise there would be a possibility that the one and two year maturities might be oversubscribed and the three, four and five year maturities might not all be sold.

Subscriptions to the loan will be subject to allotment, and the lists may be closed at the discretion of the provincial treasurer. The bonds are payable in lawful money of Canada in the principal cities of the Dominion.

J. K. Gamble Out Of Nor. Quebec Gold

In an advertisement in The Financial Post, Northern Quebec Gold Mines announces that J. K. Gamble, who has been sponsoring the company and selling shares, is no longer connected with the company.

It is understood that a clause in the contract enabled the fiscal agents to be dispensed with at the will of the directors.

Canadians Like Pork

The favorite meat of Canadians is pork. In 1932 the 10,506,000 persons in Canada consumed a total of 964,385,673 pounds of pork or 91.79 pounds per capita. The Canadian predilection for pork is increasing, for in 1931 the per capita consumption was 83.49 pounds; in 1930 it was 72.93 pounds; in 1929 it was 79.65 pounds.

CITY OF OTTAWA SELLS $1,569,471 ON 4.69% BASIS

Debenture Issue Was Resold Quickly at Average of 4.57%

City of Ottawa 4½ per cent bonds, totalling $1,569,471, were sold to a syndicate on a 4.69 yield basis last week, and were oversubscribed in a single morning, when offered at prices to yield an average of about 4.57 per cent. Scarcity value of the city's bonds, among the very highest grade securities in Canada, and a rising gilt-edged bond market were the reasons.

Banks took more of the issue than any other buyers, it is understood. Insurance companies and institutions were also heavy buyers. Dealers and individual investors accounted for the remainder.

The successful syndicate in tendering for the bonds was comprised of Wood, Gundy & Co., The Royal Bank of Canada, The Dominion Bank and Nesbitt, Thomson & Co. The price paid was 98.5377, a cost basis to the city of 4.69 per cent. The bonds are 4½ per cent debentures maturing serially from 1933 to 1962. The highest yield basis offered by the syndicate to buyers of the debentures was 4.60 per cent. Bonds maturing in 1933 and 1934 were sold to yield only 4.25 per cent.

One important factor in the success of the Ottawa issue is the budgetary position of the city. The deficit on current account was only $88,500 in 1932. The loan was made primarily to fund expenditures on local improvements, such as sewage facilities, roadways, sidewalks, etc. The city's net debenture debt after the new issue amounts to $14,511,803. This compares with a borrowing power of over 17 millions under the Ontario Municipal Act. The city, therefore, had ample leeway for the loan under its statutory authority.

Civil Service a Factor

Another factor contributing to the success of Ottawa's financing is the fact that the offices of the Dominion Government are located in the municipality. The large number of civil servants in the city contribute stability.

Eight tenders were submitted. The bidding was keen as is shown by the following list:

Bids Submitted on City of Ottawa 4½% Serial Debentures

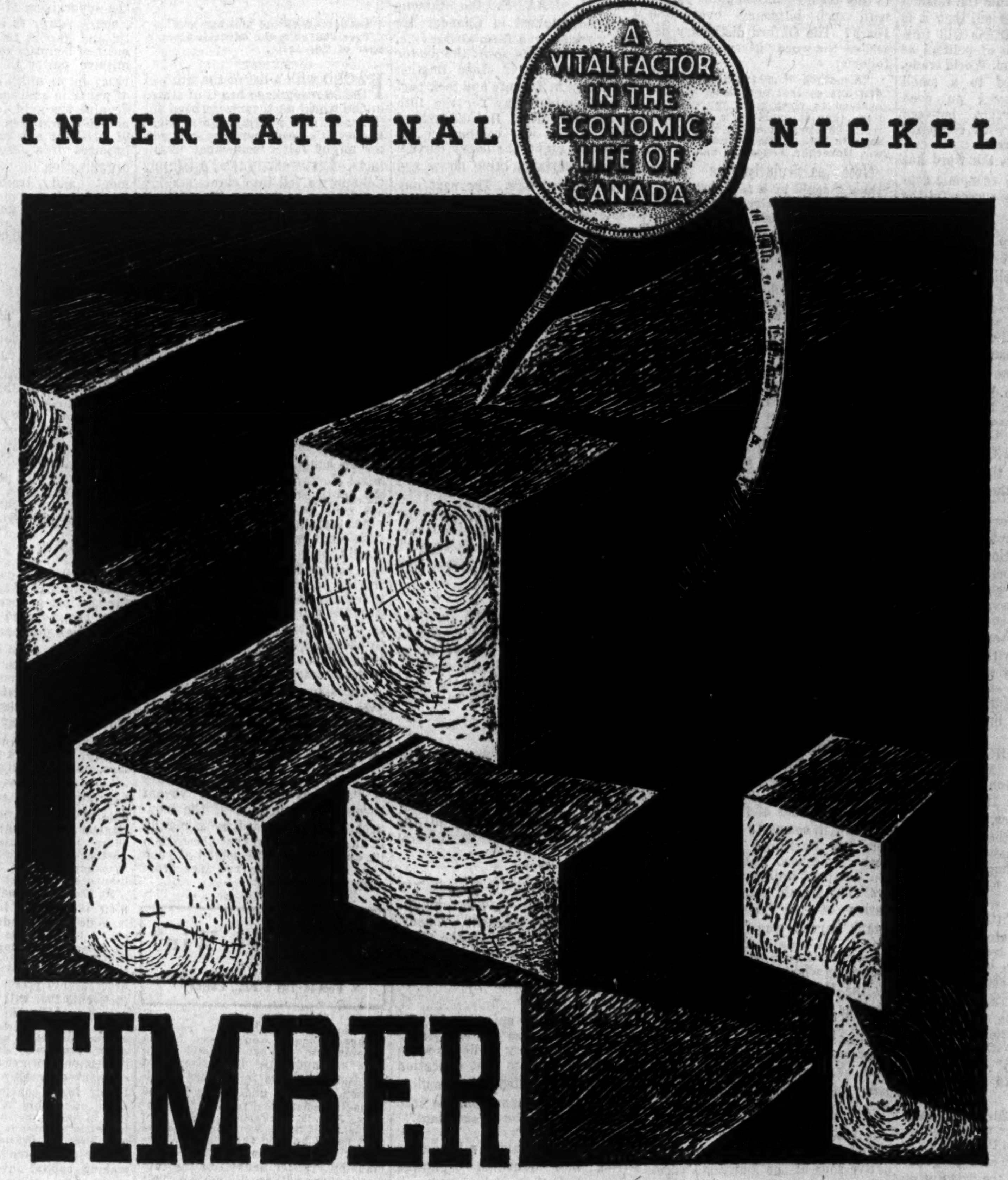
Syndicate headed by:	Bid
Royal Bank	98.5377
Bank of Toronto	98.29
Bank of Nova Scotia	98.2711
Bank of Montreal	97.97
Dominion Securities Corp.	97.421
McLeod, Young, Weir & Co.	97.09
Gairdner & Co.	97.077
Collier, Norris & Henderson	95.92

We wish to announce that

MR. GEORGE T. MEECH
has been admitted to partnership
in this firm

AIRD, MACLEOD & CO.
Members Toronto Stock Exchange
ROYAL BANK BUILDING, TORONTO
HUGH R. AIRD D. D. MACLEOD GEORGE T. MEECH

DRURY & THOMPSON
MEMBERS
MONTREAL STOCK EXCHANGE—MONTREAL CURB MARKET
360 St. James Street - HArbour 1254
STOCKS CARRIED ON MARGIN
Minimum Interest Rates



The greater use of Nickel and Monel Metal in Canada and throughout the world means a greater measure of prosperity for Canada. Use these metals wherever you can.

Twenty-four million feet of lumber and timber has been purchased in a single year by International Nickel for use in its mines and plants. The Frood Mine alone has frequently used over a million feet a month. ¶ Immense quantities are used to timber up the shafts, drifts and stopes; for construction work; for a score of uses around the mills, smelters and refineries. ¶ The cutting of this lumber gives employment to scores of men in the woods and sawmills of British Columbia, Ontario and Quebec. Supply houses, purveyors and other branches of industry keep men employed supplying the needs of the lumber industry. Railroads derive revenue from the freight traffic. ¶ Canada's industrial activity is quickened because of the vast amount of lumber and timber used by International Nickel.

INCO MONEL METAL — THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED — INCO NICKEL

1883 [The 50th Anniversary of Canada's Nickel Industry is being celebrated this year.] 1933

"The Story of Nickel", an interesting booklet dealing with the history and development of Nickel, may be had without charge by writing to the Company at 25 King Street West, Toronto

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Orillia	May	Locally	5%	20-ins.	$7,900	....	....
Religieuses Hospitalieres de St. Joseph de L'Hotel-Dieu de Montreal	May	L. G. Beaubien & Co., Paul Gonthier & Co., Provincial Bank	5%	20-yr. ser.	300,000	....	....
Ottawa	May 26	Wood, Gundy & Co., Royal Bank, Dominion Bank, Nesbitt, Thomson & Co.	4½%	10-ins.	393,922	98.5377	4.69%
			4½%	15-ins.	193,286		
			4½%	20-ins.	622,263		
			4½%	30-ins.	360,000		
Hull R. C. Sch. Commissioners	May 26	A. E. Ames & Co.	5½%	10-yr. ser.	150,000	....	....
Grey Nuns of the Cross of Ottawa	May	Wood, Gundy & Co.	5%	1933-52	185,000	100	5%
Provincial—							
Ontario	May 31	Investment Houses and Banks	4%	Ser. 1934-38	$10,000,000	*	...
			4½%	1950	†15,000,000	99	4.58%

*Various prices. †Issue price.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Tuckett Tobacco	Mar. 31, '33	496,908	732,945	...	...	...	2,026,551	2,469,643	...	...	...
Consolidated Press	Mar. 31, '33	*26,347	*57,726	...	...	...	48,564	75,861	5	...	...
Imperial Oil	Dec. 31	14,713,237	18,226,895	0.54	0.68	50c	109,958,798	108,584,328	13¾	24	3.7
Robin, Jones & Whitman	Mar. 31, '33	*77,052	*89,750	...	...	...	4,946	11,528	...	...	...
Acme Gas & Oil	Dec. 31	8,856	61,067	0.004	0.03	...	49,442	40,586	12	...	...
Gypsum Lime	Dec. 31	*295,570	30,237	...	0.087	...	297,635	87,985	3	...	...

*Loss.

THE FINANCIAL POST

Member Audit Bureau of Circulations
President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. inspection.

ADVERTISING RATES
Single Insertion—$3.65 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2
MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor. GT. BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1, E. J. Dodd, Director, Telegraphic address, Atabek, Lesquare, London.
THE FINANCIAL POST BUSINESS YEAR BOOK. Yearly, $2.
THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES. Yearly, $2.
THE FINANCIAL POST SURVEY OF MINES. Yearly, $2.
THE FINANCIAL POST RECORD OF PROSPECTUSES. Half yearly, $7 per volume.
THE FINANCIAL POST CORPORATION SERVICE. $20 monthly. Special prices for selected part service.
DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS. Yearly, $10.

TORONTO, JUNE 3, 1933

ECONOMIC IMPERIALISM

THE consequences of complete failure of the World Economic Conference in London might be tragic. If no agreement on important matters, such as tariffs, political debts, currency stabilization, etc., can be reached at London, or reached between the principal countries of the world while the London Conference is in session, then it is obvious that the nations will turn to an intensification of policies of economic Imperialism. World trade, which has dwindled to a small trickle, would become an even smaller affair except between groups of nations with comparatively common interests.

From Washington the word has gone out that if the economic conference is not highly successful the United States will turn towards nationalistic and self-contained policies, will give up its ambitions to be an important world trader and will develop policies designed to make the United States prosperous within its own boundaries.

From Ottawa the word has gone out that should the Conference fail to effect measures that will increase the volume of international trade, Rt. Hon. R. B. Bennett, the Canadian Prime Minister, will suggest the re-convening of the Imperial Economic Conference to raise higher the tariff barriers of the Empire against the rest of the world and to lower them within the Empire.

It may be taken for granted that France would attempt to bring the countries of the little entente, her own colonies and some of the outlying nations into what would be virtually a French economic empire.

A collection of such comparatively self-contained empires would not be able to give the world the degree of prosperity that would be possible from a re-stimulation of free international lending and trading on the pre-war lines.

THE TEXTILE SHOW-DOWN

CANADA'S new Tariff Board swings into action this month. An outcome of the 1932 Imperial Economic Conference, it will pass on the adequacy of the present tariff structure in permitting English manufacturers to compete on a fair basis with domestic manufacturers in Canada.

It is somewhat fitting that the first case to come before the board has to do with wool textiles, which, with cotton textiles, is one of the most controversial sections in the tariff schedule. British manufacturers claim existing rates do not permit fair competition. Canadian interests counter with the claim that an effective duty must prevail if the industry is to achieve stability.

Public opinion in this country has not been sympathetic to the textile manufacturers whom they think are over-protected. The lack of good-will is attributed to the "take it or leave it" policies adopted by the industry itself. Little has been done to clear away misunderstandings; public antipathy has grown rather than diminished.

The present opportunity to put their case before an independent tribunal should be welcomed by the Canadian textile interests. If this case is strong, the decision should be favorable. If the findings of Judge Sedgewick and his confreres are otherwise, then the public is entitled to receive the benefits arising from more open competition with British manufacturers.

HUGE LOANS COMING

WHEN Hon. E. N. Rhodes asked the House of Commons for authority to convert government loans up to $750,000,000, it seemed like a large amount. But Mr. Rhodes already had authority under 1931 legislation to convert up to $464,000,000. This amount was not used in the 1931 conversion loan. The total authorized amount of the conversion is, therefore, the staggering sum of $1,214,000,000, as mentioned in The Financial Post last week.

Indications from Ottawa have been that the government would be seeking at least $375,000,000 in loans this year, either to convert outstanding bonds or to raise new money. But this is a long way short of 1,200 millions. Even a conversion loan of 500 millions would leave 700 millions to spare, under the present authority.

What does it mean?

In the first place it means that members of His Majesty's loyal opposition had perhaps forgotten about the 464 millions when the new bill was passed. Not a word was said about it in the house.

It also means that the government has given itself exceedingly ample leeway to issue more bonds on a favorable basis than anyone expects will be converted in this year's loan. In this respect it is a safeguard against what may be pessimistic expectations.

But it will immediately suggest in the minds of some investors that perhaps the government is preparing itself for any emergency, even for a coercive conversion. So far there has been emphatic denial of this from Mr. Bennett, Mr. Rhodes and others. The danger is remote of a confiscatory conversion loan.

LET'S STOP GERRYMANDER

OBSERVANT waiters at the Chateau Laurier, the Rideau Club or the parliamentary restaurant at Ottawa have probably noticed strange diagrams on the tablecloths in the past few weeks. At first glance they might be mistaken for reproductions of bits of jig-saw puzzles. Most of them will be scored deep into the napery for they have been drawn with vehemence as irate members explain to their friends how this and that constituency has been "gerrymandered" within an inch of its life by a coldly calculating redistribution committee.

For once again Ottawa has gone through its decennial struggle as a supposedly representative committee attempts to carve federal constituencies anew following publication of the results of the 1931 census which fixes for another 10-year period the basis of federal representation in each of the provinces.

Isn't it about time we put an end to this absurd political game played with such bitterness every ten years? The Oxford dictionary describes the word "gerrymander" as follows:

> "A method of arranging electoral districts so that one party will be enabled to elect more representatives than it could by a fair system. This was done in Massachusetts in 1812, while Elbridge Gerry was Governor, hence the name."

Note particularly the phrase "than it could by a fair system."

We pride ourselves on the fairness of most of our democratic institutions and the progress we have made politically in the last one hundred years. Yet if Elbridge Gerry were alive today and could have visited Ottawa in the last few weeks he would have found Liberals calling him a piker just as Conservatives did in 1924.

The suggestion of Rt. Hon. W. L. Mackenzie King for a committee of judges whose rearrangement of the electoral map would in future be submitted as a bill for the approval or alteration of parliament, seems a reasonable solution to this constantly recurring dilemma. It should be adopted shortly else the Liberal party may find themselves in power and forget their wise suggestion.

THE MARITIME BRAIN TRUST

ONE may have been inclined to sympathize with the Maritimes in their desire for greater representation in matters of national import. But the people down-by-the-sea have not fared badly judging by a survey made by the Halifax Herald. In the Federal arena there are such outstanding figures as Prime Minister Bennett, Minister of Finance Rhodes and the Hon. J. L. Ralston, one of the principals in the opposition party. All are native-born sons of the Maritimes.

When it comes to railway matters the Maritimes are not altogether voiceless. Take the Dominion Board of Railway Commissioners. The Herald points out that a native of the Maritimes, Hon. Frank Carvell, was Chief Commissioner. He was succeeded by another Maritimer, the Hon. H. A. McKeown who in turn was followed by the Hon. C. P. Fullerton, still another Maritimer. Now Mr. Fullerton is prominently mentioned as head of the new board of C. N. R. trustees. And if this is not enough Hon. A. K. Dysart, now puisne judge of the Court of the King's Bench in Manitoba, is slated to succeed Mr. Fullerton on the Railway Board.

Turning to other fields we find native sons of the Maritimes occupying many important posts in public affairs and business. Justice MacLean, President of the Exchequer Court, is a native of Nova Scotia. A census would disclose that many other judges came from "down East." Dr. H. M. Tory, President of the National Research Council, is a Nova Scotian. In the field of banking mention might be made of such Maritimers as Morris W. Wilson, of the Royal Bank of Canada; J. A. McLeod, of the Bank of Nova Scotia; Sir Frederick Williams-Taylor, of the Bank of Montreal; Sir James Dunn and others. I. W. Killam, A. J. Nesbitt, and Ward Pitfield are among the host of investment bankers having their home town in the Maritimes. In business and industry native sons of the Maritimes are to be found in all parts of the Dominion.

The only thing that keeps the other sections of the Dominion from banding together in self-defence is that these Maritime brains are so useful the country could not do without them.

SCAPE GOATS

IT IS the temper of the times to look for scapegoats. The Nazis are making the Jews the scapegoats for all of middle class Germany's wrongs. Discontented Conservatives are making Premier Henry, of Ontario, the scapegoat of an unsavory power transaction. In Toronto an attempt is in motion to make the chief of police the scapegoat for dissension in the police administration. At Ottawa the House agricultural committee attempted to make the dairies the scapegoats for the farm products price decline.

The important thing for sensible citizens to remember is that finding and punishing a scapegoat does not absolve the true culprits or the general public of their sins any more than the Mosaic ritual of the Day of Atonement made people any better by symbolically piling the sins of the populace upon the head of a goat and sending him to die in the wilderness.

But a world that has for 5,000 years found the "caper emissarius" a convenient vehicle for concentrating the psychological burden of punishment is not likely to give it up without a fight.

GUINEA PIGS

IN A recent case in New York, involving a suit against the directors of a $100,000,000 bankrupt corporation, the Supreme Court justice remarked, "Directors are supposed to act literally in accordance with their titles." This was his comment upon their defence that the company was really managed by its chief stockholder and promoters and that the directors were not well informed on what was going on.

The prosecuting counsel in the case made this allegation:

> "We don't claim that these directors put any money in their pockets, but they were trustees and should have expended as reasonable judgment in their official acts as they would have in their personal affairs. But these eminent gentlemen kept their eyes shut and the corporation's money scattered to the four winds."

In Canada, we have many directors who sit on boards but do not direct nor assume responsibility. They are figure heads. Many are incapable and inexperienced, put there because of their name or wealth.

MAUDE'S EXAMPLE

CYRIL MAUDE, the famous actor, started in Canada. He was working on a farm at Oakville, near Toronto. He spent the winter with a number of other English gentlemen in Toronto and took part in an amateur play for the 10th Royal Grenadiers. He had a hard time. As he was coming on the stage one night, the heavy curtain rod and curtains came down and almost buried him. The next day one of the leading dramatic critics wrote: "As for Cyril Maude, he will never make an actor."

But he did make an actor; one of the greatest.

A number of our young readers who probably feel today as he did then should take courage, work hard and look forward with confidence to ultimate success, perhaps as triumphant as that which marked Mr. Maude's career.

EDITORIAL NOTES

A fair deal all around would be for Newfoundland to keep Labrador and for Canada to keep its $100,000,000.

* * *

Holding the World Economic Conference in a geological museum does not necessarily mean that we have gone back to the stone age of finance and trade.

* * *

Agnes Macphail, M.P., says she was disappointed in Sir Arthur Salter. He did not believe in inflation or deflation; in free trade or higher tariffs. Apparently Miss Macphail has no use for moderate opinions.

* * *

Last week Ottawa was visited by a plague of mosquitoes. It is rumored that it was a group of Conservative fresh-air fiends who opened all the windows in the offices and quarters of Liberal members.

* * *

It is said that the U. S. Secretary of the Treasury no longer laughs at jokes about "Woodin" money. When one notices that the Allegheny stock he bought at $20 a share is selling at $2.50 one perhaps has the reason.

* * *

Brilliant as an epigrammist, Sir Josiah Stamp was merely joking with his university audience when he said in Toronto that education is sometimes called "the inculcation of the incomprehensible into the ignorant by the incompetent."

* * *

The Reds are having a hard time boring into Canadian organized labor, even in these distressed times. The rebuffs the C.C.F. has met from the leaders of labor in this country should convince people that talk of revolution in Canada is rather exaggerated.

In Fortune's serial story of the life of Ivar Kreuger it is shown that French speculators were selling the Kreuger stocks short for some days before the match king's suicide. The speculative ring in Paris have called the turn in many an important world financial event since the crisis of 1929.

* * *

What goes on behind the scenes in politics is often long hidden. The next generation may be able to read in the memoirs of this generation how it happened that CKGW, Toronto, which had to apologize to the Radio Commission a few weeks ago for some statements made in connection with an attack on national broadcasting, has been leased for a long term of years by the government.

* * *

Prof. Sprague, American economist recently attached to the Bank of England, has been appointed monetary adviser to the United States government. This leads The Annalist, New York, to make a calculation. It computes that, assuming there are six economic advisers to the president, the inclusion of Sprague raises the average rating of the group to 15, if ratings are made on a scale ranging from zero to 100. But it admits that this may be putting too high a rating on Sprague.

POST-scripts

"A TISSUE of lies," said the mayor of a defaulting Ontario municipality about a statement by the secretary of the committee of the community's debenture holders. The statement was that the control board in charge of the municipality's finances had reduced by $900,000 the 1933 estimates prepared by the council, and that the community was virtually faced by a taxpayer's strike when this reduction was made.

The Financial Post asked the secretary of the debenture holders' committee if he had any comment to make on the "tissue of lies" allegation. "If you want to say anything about it," he said, "your mayor was speaking candidly to the best of his knowledge.'"

ONE night last week, according to Time, NBC got the White House Portico Quartette to sing "Home on the Range" over a network. The quartette: Roosevelt Secretary Marvin McIntyre, United Press's Fred Storm, Chicago Tribune's John Boettiger, Universal Service's Edward Roddan. President Roosevelt interrupted a White House conference on the National Recovery Act to listen in. When the singers finished, the president telephoned the broadcasting studio. Disguising his voice he got the quartette leader on the wire. Approximately the following dialogue took place:

President: That's a fine act you've got. I could sign you up for a regular job.

Leader: We're not looking for a job. Who's this speaking?

President: Never mind. I'd like to get your bunch under contract for a performance once a week. How about it?

Leader: Who the hell are you?

President: I'm the advertising manager of Cascarets.

FACED with a list of the titles of the 55 recognized heads of states in the world as they were used for the cabling or mailing of President Roosevelt's peace message, any editor might falter somewhat in his facts. Last week in the Postscripts Column we fell into error, making a reference to "young King Mihail of Hungary." How we happened to make this blunder we cannot at the moment explain. Mihail is not a king but during the brief period when he was a king, he sat on a throne, probably much too large for him, in Roumania. The present king of Roumania is Carol II. Mihail came to the throne briefly between the death of his grandfather, King Ferdinand and the return to power of his previously banished and philandering father, Carol.

As for Hungary, it is still technically a kingdom. The president addressed his note to the Regent of the Kingdom of Hungary. Admiral Horthy, the regent, has been the actual ruler of Hungary since the Red Revolution of Bela Kun which deposed the provincial constitutional republic in 1919. Technically, he is regent of the country for young Prince Otto. Actually Horthy has refused to permit Otto to return to the kingdom on the grounds that it would be prejudicial to the welfare of the State owing to the jealousy of the allied countries which signed the peace treaty with Hungary after the Great War.

The above facts were laid on our desk by someone who apparently feared to incur our displeasure by correcting us for he did not sign his name to his note. Confirming them by reference to the Statesman's Year Book, we find that Hnugary is "a monarchy with a vacant throne, the functions of the monarch being exercised by a regent. It has been decided that the dynastic question shall be solved at such time as the people are free from external pressure."

"Heads We Win"

A Statement by the Alberta Wheat Pool in The U.F.A., Calgary

According to information received at head office it would seem that a considerable number of pool members are under the impression that the funds required for market stabilization purposes undertaken by the Canadian wheat pool through its manager, John I. McFarland, were pool funds; or if losses were sustained the pool would be held responsible. This is not so as all who read the speech made by Premier Bennett on the subject last fall will readily realize. This speech was published in The U. F. A. and was most explicit. The Canadian Government provided the funds, the premier stated, and will foot any loss. Any profit made, Mr. Bennett said, will go to the wheat pools.

Other Peoples' Views

Revenue From Stamp Issues

St. John Telegraph-Journal: It was noted recently that the postoffice department at Ottawa declined to make a special issue of postage stamps to mark the centenary of the crossing of the Atlantic by the Canadian-built Royal William, the first vessel to make the trans-Atlantic voyage under her own steam. A request for a commemorative issue had been made to the postmaster-general by the Canadian Philatelic Society, which was informed by the deputy in that department that, "owing to the urgent need for economy, this expenditure cannot be undertaken this year."

If the United States can return a revenue from these issues, it seems remarkable that Canada should suffer a loss.

New Books

"Problems of Staple Production in Canada"

Various papers previously published by Professor Harold A. Innis of the University of Toronto, have been combined with some new material in "Problems of Staple Production in Canada." In this volume, Professor Innis deals with a number of the fundamental economic problems of this country and he ventures into the speculative field of attempting to offer his own solution for certain of these problems. As a lecturer in economic geography, Professor Innis has felt impelled to project his discussions against the background of Canada's geographic picture and there is no little emphasis upon northern development and upon transportation as factors in Canadian economic history.

As there is no one single idea running throughout the whole book it is difficult to condense Prof. Innis's views to a single paragraph. But Professor Innis does emphasize that continued effort to reduce the relative burden of debt in Canada is necessary to effect the economic adjustments that will help to solve deep rooted problems of our national life.

The first important paper is one on transportation as a factor in Canada's economic development. The next important group deals with government ownership in Canada. Professor Innis concludes that government ownership is steadily improving in efficiency in Canada but he leaves in the minds of his readers the unanswered question of whether or not we are proceeding too rapidly in making capital investment. A third group of articles deals with the peculiar problems of the Canadian north and of Western Canada and it is rather significant that these articles raise a query about the debt burden of government ownership that was not raised in his previous chapter on the subject. Discussing the development of the West, Professor Innis holds that the tariff should occupy a less important position in Canada's revenue system.

The previously printed paper on the Imperial Economic Conference concludes the volume.

"Problems of Staple Production in Canada" is published by the Ryerson Press, Toronto, at $2.50.

"Modern Mechanization"

Sir Arthur Salter's lecture at McGill University on "Modern Mechanization and Its Effects on the Structure of Society" has been published in pamphlet form. This was the second Massey lecture delivered under a lectureship inaugurated in 1932 by Hon. Vincent Massey.

As Sir Arthur Salter's lecture was broadcast over a national network in Canada, its contents are well-known to most Canadians. Sir Arthur argues that man has shown an amazing ability to create machines to take advantage of the wealth of nature but that he has not yet achieved the same power in regulating his mechanized society. Sir Arthur has no doubt as to the future of our economic civilization so long as regulative wisdom can be found. But wisdom has lagged behind knowledge. The pamphlet is published by the Oxford University Press, Toronto, at 35 cents.

"Stop Me If You Have Heard This One"

An English woman in an English court, charged with shoplifting, was asked by the magistrate if she had anything to say on her own behalf. "Yes, sir, I have," she replied hopefully. "I take only British goods."

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By M. M. Wilner

IS IT SOCIALISM?

WASHINGTON.—Two years ago in a letter to The Financial Post, this correspondent pointed out that the attacks on the Hoover administration were developing divisions of thought which would bring the doctrines of Socialism into principal issues in the next presidential campaign. In a letter in the fall of 1931, relating specifically to the summoning of the New York Legislature to provide public work for the unemployed, the opinion was offered that Mr. Roosevelt, then governor, would be the candidate representing the Socialistic schools of thought. These predictions are recalled at this time, not in any spirit of prophetic boastfulness, but to emphasize the fact that they fell very far short of the realization which has come since March 4. Mr. Hoover did put considerable stress into his speeches on his philosophy of individualism and the Socialistic challenges in the attitude of many elements of the opposition. His partisans, however, did not rally strongly to that line of talk, and Mr. Roosevelt's vigorous speeches usually proclaimed views which left little basis for raising the anti-Socialist issue against him.

* * *

ANY writer or speaker would have been set down as a partisan, too extreme to deserve credence who, six months or even three months ago, had foretold that by the end of May, 1932, the laws of the United States would have concentrated in the president's hands the supervision of banks; a discretionary power to levy both domestic and import taxes for the payment of bounties to farmers; a permissive power to inflate the currency by as much as $6,000,000,000 of paper in addition to authority to devalue the gold dollar 50 per cent and to undertaken the free coinage of silver at any ratio decreed; enlistment of a reforestation army; organization of electric development and transmission broad enough to cover most of the South; a concentrated government direction of business and industry with a grant of $3,000,000,000 for public works.

Still farther beyond the limits of any reasonable fairness, in the opinion almost universal three months ago, would have been a forecast that the United States, not only would abandon the gold standard for its own currency, but that the president would ask for a law repudiating the obligation to maintain gold contracts even in its own bonds and forbidding any such pledges in future. Mr. Roosevelt himself just before election described gold-standard obligations as a "covenant" and denounced as partisan slander, detrimental to business, even the assertion that conditions had put the standard in danger.

* * *

THOSE who have followed the arguments of the "intellectuals" for the last generation easily identify the source of the thought which has produced the prevailing programme as a remedy for the economic distress. Propositions had been numerous enough within the literary and oratorical circles to bring all business property under Government direction with gradual advances toward Government ownership; to remove poverty by bounties, public work and legal regulation of the hours and wages of labor and to finance these enterprises by capital taxes alone. A favorite demand for the last year or more had been for a $5,000,000,000 grant to relieve unemployment, depending on capital seizures for the funds, as if the mere confiscation of stocks and bonds representing modern capital could put any money for paying workmen into a public treasury. The $3,000,000,000 public-works grant, financed by a bond issue and a heavy income tax is comparatively moderate, but it must be looked upon as a first, not a last step in this kind of experimenting.

Perhaps a most interesting point is that these measures are not commonly recognized or regarded as Socialistic by the greater portion of the citizens who make up public opinion in the United States. They have regarded Socialism as a cult of discontented and revolutionary work-people, who were too few in number to be a menace and might be regarded with a sympathetic interest for their misfortunes. As a matter of fact, there is slight evidence of any considerable adoption of radicalism by workmen, even among the millions of unemployed, and the workers with jobs are a pronounced force against the open organizations of radicals, at least.

This Socialism — if it is that — which has sprung suddenly into flower in the United States Government is a product rather of university theorists, social essayists, novelists, and the more irresponsible type of journalists who depend rather on superficial impressions than studied interpretation to arouse interest in the events of the day. Yet it has the backing of business men in large measure.

* * *

PERHAPS that is one reason why there have been so few indications of any indignant uprisings of public opinion against developments so contrary to principles which most people held to be unchallenged before election. Business men have feared agitators who organize strikes and lead riots for higher wages, but they never have associated such persons with the ideas of doctors of philosophy, professors of economics and the producers of entertaining stories.

Moreover, the passionate wish which is in the mind of everybody in the United States, whatever his station or occupation, is to recover from the economic depression. Times only grew steadily worse under the Hoover régime, whether he was to blame or not. The only persons who have come forward with confident assertions that they know the way to make everybody prosperous and happy have been these individuals who have given the administration the course which it has taken. It was observed long ago that the men of this western world were accustomed to match with destiny for beers. There is desperate inclination to take chances, inspired by the mere hope of improvement, depending on the assurance that anything which does not work right will be dropped.

It is important to remember, however, that so far business in the United States usually has been strong enough to dominate Government. When it finds its expectations disappointed, it changes front. The question is still debated whether its good judgment and its blunders are not the determining force in good and bad times, with Government following, instead of directing.

There are estimated to be more than $100,000,000,000 of gold-clause securities issued by the Government and corporations of the United States. There is gold metal amounting to about $3,500,000,000 in the hands of the Government to mock its reasoning that no gold is available to make good the contracts on the June interest dates. There is a powerful judicial branch of the United States Government, which has not entered as yet into the extraordinary devices of the new administration. And there is a widespread conviction that this president is not a man with very fixed views, but is able to change his mind rapidly with the shifting currents which carry popular approval.

Diversified Investments

Diversification is a necessity for institutions and for individuals. The experience of this organization is at the disposal of investors in any part of Canada.

Address our nearest office.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Vancouver Victoria New York London, Eng.

NEW ONTARIO ISSUE

Interest - 4½%

Matures - June 1, 1950

Price - 99 Yielding 4.58%

Write or telephone at our expense ELgin 0161

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Montreal Ottawa London Hamilton

Can Your Business Afford to Go Half Shod?

It has become evident that modern merchandising predicates in no uncertain way the use of "Cellophane" wrapping. As an indication of how quickly and how completely the Canadian public have leapt to an appreciation of this clean, sparkling, quality-preserving, transparent wrapping, the result of a recent national survey independently conducted showed the amazing fact that *93% of the consumers interviewed expressed a preference for goods wrapped in "Cellophane."*

Here is a highway to public acceptance which no manufacturer can afford to ignore!

What can "Cellophane" do for the business in which you are interested? How would *your* products look wrapped in "Cellophane?" What experience have manufacturers of similar or related lines had in Canada and the United States through the adoption of this up-to-date merchandising step? These facts together with an individual study of this phase of your sales problem may be had simply by writing to our Package Development Service, "Cellophane" Division, Canadian Industries Limited, Montreal. Better still, if you wish to see your product revealed and individualized by "Cellophane," there is no obligation — just send a few samples to our distributors, Messrs. Wm. B. Stewart & Sons Ltd., Toronto or Montreal. Samples will be returned with complete details for your study and consideration.

Cellophane
TRADE MARK

CANADIAN INDUSTRIES LIMITED C-I-L

"Cellophane" is the registered trade mark designating cellulose sheets and films, manufactured in Canada under special arrangements with the duPont Cellophane Co. Inc.

CANADIAN INDUSTRIES LIMITED

The Week in Business

Automobile Activity

AUTOMOBILE manufacturers were rather taken by surprise during the last two weeks of May with a rush of buying orders and Windsor plants are operating at or near capacity, a representative of The Financial Post learned in that city. Across the river, in Detroit, the situation is even more hectic with the plants of the larger manufacturers already well behind demand and operating on a 24-hour schedule. Chrysler of Canada reported that it was behind orders for both Dodge and Chrysler cars, while Studebaker reports much more active business than at this time a year ago. Reports from General Motors and Essex bear out this heightened activity in the industry.

Activity in the automobile plants has resulted in a decline in the number of families on relief in the Border Cities. In April, it was announced that 500 families no longer required help, and activity in May would indicate that there will be a further reduction in that month. Retailers report that business has picked up very well and a generally brighter feeling pervades the Border group of industrial centres. There is a feeling in the automobile industry, following the surprising demand of recent weeks that the peak this year will be later than usual and that two or more months' activity is still in prospect.

* * *

Purse Strings Loosen

PURSE strings appear to be loosening with the general improvement in business outlook, although there is little evidence as yet, except among farmers, of increased purchasing power. Movie houses report playing to larger crowds than at this time a year ago, while even golf professionals are busier than for a number of seasons. One golf professional stated that he was giving more lessons than in any of the six years which he has been with his club, while another, though not in the business in the "prosperity years," stated that he was very much busier than in 1932 or 1931 and that in addition to the increase in lessons, sales of accessories were away ahead of these two previous years.

Trade reports from all parts of the Dominion continue to evidence a definite increase in activity. Farmers are jubilant over the increased prices for their products and if these are maintained until the fall, when the new crop is marketed, many will be able to liquidate their debts. Spring buying in hardware and clothing lines has been maintained longer than usual, while warmer weather has started the movement of summer merchandise.

* * *

Statistical Summary

WHILE automobiles financed made fair increases in April in both number and value over the previous month, they did not show the large gain made by automobiles produced during the month. In addition, the number financed was 25 per cent less than a year ago and the value was down more than 31 per cent, while automobile production in April was actually larger than in April, 1932. Export orders of 2,612 cars, however, was responsible for the increase in automobiles produced in April compared with a year ago.

For the second consecutive week, carloadings decreased in the week ended May 20, against the usual seasonal trend. The result of this actual decrease of 2 per cent was to depress the seasonally adjusted index number from 60.63 to 58.38, or nearly 4 per cent, and almost wipe out the gains recorded in the latter part of April and the first week in May.

Wheat exports showed a welcome increase after several quiet weeks, the 4,631,152 bushels exported in the week ended May 19 being 22 per cent greater than in the previous week and more than 15% above the figures for the corresponding week of 1932. Wheat stocks remain over 36 per cent higher than at the corresponding date in 1932, but were reduced nearly 2 per cent in the week ended May 19.

Halifax Port Operations Show Small Decline in April

From Our Own Correspondent

MONTREAL.—Activity at the Port of Halifax was somewhat less in April last as compared with the same month a year ago. A total of 479 vessels entered and cleared the port during the month against 490 in April, 1932. The net registered tonnage is reported at 647,165 compared with 651,907 tons in April last year.

Since the beginning of the year the number of vessels entering and clearing the Port is reported at 1,668 compared to 1,688 for the some period of 1932 and 1,634 for the first four months of 1931.

Government, Municipal and Corporation Bonds

List of current offerings furnished on request

Royal Securities Corporation Limited

244 St. James Street MONTREAL 330 Bay Street TORONTO 2

Business Conditions in Canada

BELIEVE SLUMP IN EMPLOYMENT NOW HALTED

Industries Show Gain Against Seasonal Trend

Evidence that the continued decline in employment has been halted is contained in recent monthly indices of employment compiled by the Dominion Bureau of Statistics. At May 1, employment in manufactures showed a gain for the fourth consecutive month while a year ago at May 1 a loss was recorded from April 1. Manufacturing industries account for more than half the employees used in compiling the general index.

Reports from various industries since May 1 this year would indicate that this increase in employment is being maintained, the automobile industry experiencing a sudden boom in the second half of May and the textile industries still maintaining their high level of employment.

Employment in all industries, however, according to the May 1 indices, while greater than at the beginning of the previous month, showed a slight loss when adjusted for the usual seasonal trend. The decline is much less sharp, however, than at the same period a year ago.

Many Groups Gain

Construction, transportation and manufacturing recorded the greatest improvement at the beginning of May while mining (except coal-mining) and retail trade were considerably more active. On the other hand there was a seasonal contraction in coal mining; communications, services and wholesale trade also released employees.

Chief advances at May 1 among manufacturing industries was recorded by lumber and fish-preserving establishments though almost all types, with the exceptions of tobacco, electrical apparatus and rubber factories, reported higher payrolls. Gains in transportation were credited to shipping and stevedoring while local transportation was also brisker and no general change occurred in steam railway operation.

Economic Areas

Data for the economic areas of Canada show that advances were recorded in all five. Employers in Quebec reported the greatest actual increase in personnel while the percentage gain in British Columbia was greatest. Hamilton and Winnipeg were the only two among the chief cities where the employment trend was downward at the beginning of May all others showing advances. Summary of reports from the maritimes are from large cities in other parts of the country is as follows:

Maritimes—For the third consecutive month, employment in the Maritimes advanced, the upward movement comparing favorably with the decline recorded at May 1, 1932. Manufacturing, especially fish-preserving, and construction reported improvement. Closing of the winter ports resulted in transportation releasing some employees.

Montreal — Transportation made seasonal advances while manufacturing and building construction were also busier. Textile and iron and steel factories made the chief advances among manufacturing establishments.

Quebec—Most of the improvement took place in shipping and manufacturing, other groups showing only slight changes.

Toronto — Building construction, retail trade and transportation reported increases, manufacturing showed very little change and services were slacker. Curtailment was indicated at May 1 last year.

Ottawa—Construction, transportation, manufacturing and trade registered moderate improvement and the advances were in greater volume than at May 1, 1932.

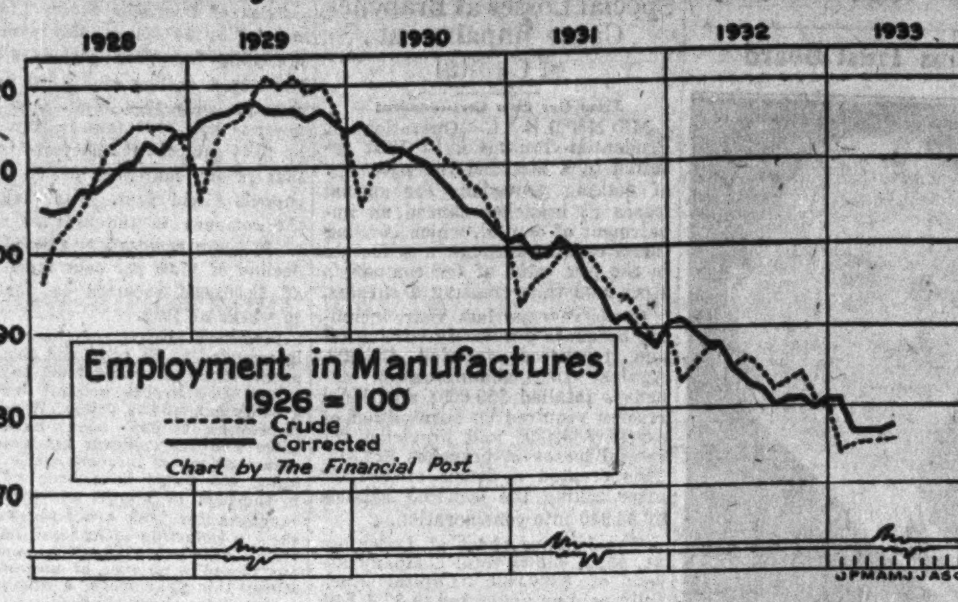
Hamilton — Manufacturing was quieter while trade and transportation advanced. The recession was larger than at May 1 a year ago.

Windsor and Border Cities—Further improvement at May 1 was added to the steady advances since the beginning of the year. Most of the gain occurred in automobile factories.

Winnipeg—Retail trade was brisker but reduced activity was indicated in construction while manufacturing was steady. The decline was common to May 1, 1932.

Vancouver — Manufacturing was more active, the lumber group in particular showing improvement. Transportation released some employees. A slight falling off was registered at May 1, 1932.

Industry Cuts Down The Bread Lines



After an almost unstopped decline since the beginning of 1930, and against the usual seasonal trend, the index of employment in manufacturing industries gained slightly at May 1 and after adjustment for seasonal variation the increase was even more marked. The level of employment, however, is still the lowest in the past decade. The "corrected" index is after adjustment for seasonal trend.

Warehouse Food Stores Intensify Competition

Low Prices Leave Small Profit Margins — Spurs Have Yet to be Won — Two Chains Get Under Way in Eastern Canada

By B. T. HUSTON, Editor, Canadian Grocer

The "warehouse" store or "super-market" is a new type of competition opening out in Canada which may have considerable bearing on future grocery chain sales and profits. These retail establishments have been springing up like mushrooms overnight in different points particularly in Ontario, and will undoubtedly work their way both east and west. Whether they will become a serious factor from the standpoint of the chains, groups and independents remains to be seen. They have yet to win their spurs.

The super-markets began originally in the western states and latterly some have been operating in the eastern states with considerable success. There are various types of them although the main idea is to display goods in the original cases by knocking the end or top off and setting up a price card. The housewife, however, does not have to purchase a case. She can select a single unit and where a quantity of goods may be safely stored in her pantry or cellar, she can buy them by the dozen at a discount below the unit price. The stores are all operated on the self-serve basis with baskets at the entrance. The customer makes her own selections and pays for them on the way out to the cashier operating a cash register.

Enter Hamilton First

Warehouse groceterias first made their appearance in Canada at Hamilton where there are now four or five in operation. In Toronto there are now approximately the same number with more to come in the near future. One organization at the moment plans a total of 25 in Ontario including Toronto. Next month will likely see the opening of two immense markets, both of these in Toronto. One is sponsored by George Arnold, formerly in the chain store meat business and originator of the George Arnold Meat Stores which later were merged into Consolidated Food Stores Ltd. now Stop & Shop. Approximately $100,000 are being spent on the building and fixtures, the latter including modern type refrigeration. It is understood this store will feature produce of all kinds.

The other is to be opened by Alvar H. Simpson, formerly in the wholesale grocery business at Guelph, later a director of National Grocers Company and after that president of M. & P. Stores Limited of Windsor, Ontario. Mr. Simpson and associates have taken over the garage and plant erected by the Hobbs Storage Battery Co. a few years ago on Bloor St. West. This market will include all food stuffs—groceries, meats, fish, fruits and vegetables, bakery goods as well as flowers, although it is planned to rent a portion of the space for some of these products.

Oshawa in eastern Ontario and Simcoe and London in western Ontario are other places with warehouse food stores and it looks as if the idea will spread to many more centres.

Effect On Chains

What effect these new stores will have on established businesses such as chains and independents remains to be seen. At the present they are something new and are creating considerable attention on the part of the consumer. Some of them have been doing a nice business on a low overhead. The overhead must necessarily be small in order to present fairly low prices and secure a substantial turn-over. Otherwise the warehouse or super-market idea does not function. It is too early yet to say on what overhead this new type of store can operate. If it can do business on a five or six per cent basis and realize a gross margin of eight to nine per cent, some money can be made. One of the largest in the United States has a gross margin of 9½ per cent and claims that it makes money, although in this particular market a lot of the space is sub-let. The business is done in a former automobile sales room, the rent being approximately $1,500 monthly.

Published figures in a New York business paper are to the effect that the proprietor secures between $5,000 and $6,000 monthly in rents, thus realizing a handsome profit even if the groceries are disposed of at cost. But making money out of the leases on this basis is more or less precarious business as the United Cigar Stores across the line and other chains have found to their sorrow.

The warehouse market as we have it in Canada is a development out of the depression. But if we have touched bottom and are now on the upgrade as many things indicate, will there be the same field for this type of store?

True, the masses have in the last few years been looking for bargains in food as in everything else and such a store becomes attractive to them if they can make their dollar go a little farther. As employment increases and people have more money to spend will they prefer to buy in a more attractive establishment? It is to be assumed that many will do this inasmuch as some of the warehouse stores have few fixtures other than a number of ordinary-looking tables on which cases are piled.

Need More Fittings

The demand for something more attractive as times improve will naturally result in competition among these stores for better looking fixtures and interiors. This will increase costs resulting in higher prices. If this reasoning is correct, we may look forward to seeing in the future a few outstanding markets, a few others just ordinary additional stores and the remainder dropping out of the picture. The rapidity with which the new establishments are springing up is going to mean more competition among themselves as well as for the merchants now in business, all of which tends to narrow their shopping districts, reduce volume and increase costs. This in itself will tend to the disappearance of the weaker and the continuance of the well-managed.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (May)	35,735	43,678	673,107	830,395
C. P. R. Gross earn. (May 21)	$ 1,940,000	$ 2,218,000	$ 35,630,000	$ 42,396,000
C. N. R. gross earn. (May 21)	$ 2,883,262	$ 2,935,728	$ 45,451,480	$ 56,424,402
	Monthly			
C. P. R. net earn. (Apr.)	$ 538,465	$ 918,483	$ 1,835,944	$ 2,935,898
C. P. R. net earn. (Apr.)	$ ‡134,839	$ 782,977	$ ‡4,158,082	$ ‡546,574
Iron and Steel—				
Pig iron, tons (Apr.)	nil	16,898	35,353	55,699
Steel, tons (Apr.)	11,384	36,030	75,736	133,131
Automobiles prod., No. (Apr.)	8,255	6,810	21,543	24,336
Auto. exports, No. (Apr.)	1,268	355	3,686	1,943
Construction—				
Building permits (Apr.)	$ 1,551,693	$ 4,370,863	$ 4,568,032	$ 13,823,873
Contracts (Apr.)	$ 8,608,700	$ 10,112,900	$ 18,312,000	$ 48,419,700
Newsprint—				
Production, tons (Apr.)	147,759	176,660	550,986	666,990
Exports, tons (Apr.)	113,138	138,785	456,368	625,793
Sugar—				
Imports, raw, lbs. (Mar.)	61,707,100	97,878,600	82,327,200	134,232,900
Melt. & ship., lbs.*	43,697,904	34,644,152	139,396,717	142,983,040
Manufactured, lbs.*	46,454,674	35,879,441	149,537,094	141,327,647
Flour—				
Production, bbls. (Feb.)	844,899	842,123	1,604,006	1,699,315
Wheat flour exp., bbls. (Apr.)	234,387	255,390	1,455,075	1,339,488
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Mar.)	60.46	77.56	138.35	191.84
Boots and shoes, pr. (Mar.)	1,539,487	1,720,208	3,661,661	4,390,813
Petroleum, imp. crude, gal. (April)	36,187,424	38,565,064	58,164,621	227,511,589
Cotton, imp., raw, lbs. (March)	6,374,000	10,212,000	21,165,000	26,914,000
Rubber, raw, imp. lbs. (Apr.)	1,243,621	3,584,609	9,033,478	17,151,892
Coal, imports, tons (Mar.)	497,908	711,522	1,439,386	1,849,851
Gasoline sales (Feb.)	22,677,000	26,873,000	50,389,000	52,227,000
Trade—				
Imports (April)	$ 20,457,294	$ 29,794,296	$ 101,263,164	$ 156,943,094
Exports, (April)	$ 20,011,652	$ 26,927,756	$ 114,549,827	$ 141,474,817
Wheat exports, bus. (Apr.)	4,460,214	7,513,289	44,905,057	36,804,632
Labor—				
Employment Index (Apr.)	76.0	87.5	......	......
Electric Power—Output—				
M. Kilowatt hours (Apr.)	1,295,081	1,334,323	5,362,333	5,474,624
Finance—				
Failures, No. (Feb.)	214	221	427	459
Failures, Liabilities (Feb.)	$ 3,947,000	$ 3,650,728	$ 7,996,929	$ 7,711,876
Bank debits† (Mar.)	$ 1,887,000	$ 2,024,000	$ 5,686,152	$ 6,085,081
Bond sales (April)	$ 13,544,538	$ 12,074,388	$ 34,942,876	$ 115,230,720
Insurance sales (Apr.)	$ 29,770,000	$ 33,629,000	$ 115,223,000	$ 146,572,000
Automobile Financing:				
Used cars (Apr.)	$ 983,100	$ 1,412,269	$ 3,018,116	$ 3,990,629
New cars (Apr.)	$ 1,068,341	$ 1,587,293	$ 2,976,064	$ 4,008,145

*Four weeks period, Apr. 1 to Apr. 23. †(000's omitted). ‡Deficit.

Week's Figures Feature Gain In Auto Output

With 2,612 automobiles being produced for the export market compared with only 169 in April, 1932, total automobile production in April jumped ahead of the same month a year ago, being the first monthly total this year to do so. Production during the first four months of the current year, however, is 21,543 compared with 24,336 in the same period of 1932.

Wheat exports was the only other index to gain over the same period a year ago, rubber imports and automobiles financed showing large losses while car loadings were off 18.2 per cent.

Monthly	April, 1933	Change From Prev. Period %	Change From Prev. Year %
Rubber imp. lbs.	1,243,621	—50.2	—65.3
Auto. prod., No.	8,255	+24.5	+21.2
Cars financed No.	5,495	+5.2	—25.2
Cars financed $	2,051,441	+16.0	—31.6
Weekly*	**May, 1933**		
Carloadings, No.	35,735	—2.0	—18.2
Wheat stks. bu.	208,292,713	—1.7	+36.5
Wheat exp. bu.	4,631,152	+21.9	+15.3

FRENCH TRADE PACT HELPS FISH TRADE

Part of Lost Canned Salmon Trade Has Been Recovered

From Our Own Correspondent

VANCOUVER.—The new Canadian trade treaty with France will probably result in less canned salmon going from British Columbia to France than formerly, but it will be responsible for getting business that possibly would otherwise be lost altogether, in the opinion of coast packers. Had there been no treaty at all this year, Japanese and Siberian canned salmon would probably have monopolized the French market.

According to details of the treaty so far received here, about 75,000 cases of canned salmon are to be shipped to France between now and September 26. This falls far short of the 350,000 case average which this province was accustomed to ship to that country before the cancellation of the former agreement. When that agreement was cancelled the British Columbia canners had feared they would lose whatever business they had with France, but the 75,000 cases will be a substantial assistance in reducing the carryover.

Business Briefs

Car Loadings for the week ended May 20 amounted to 35,735 cars, a decrease of 718 cars from the previous week, and the index number fell from 60.63 to 58.38. The eastern division made a better showing than the western.

Wheat Stocks on May 19 amounted to 208,292,713 bu., a decrease of over 3,500,000 bu. from the 211,875,338 bu. recorded at the end of the previous week. At the corresponding date in 1932, stocks amounted to 152,606,638 bu.

Wheat Exports in the week ended May 19 amounted to 4,631,152 bu. as compared with 4,015,630 bu. in the corresponding week a year ago and 3,880,666 bu. in the previous week. Eastern ports handled over 3,000,000 bushels.

Lumber Orders received by mills reporting to the West Coast Lumbermen's Association for the week ended May 4 showed a gain of 5 million feet over the previous week, practically all the gains being reported in rail shipments..

Failures under the Bankruptcy Act for the week ended May 20 numbered 27 as compared with 48 in the corresponding week of 1932. For the year to date failures total 735, a decrease of 110 or 13 per cent from 1932.

Abitibi Power & Paper Company, Limited

TORONTO, ONT.

Owning and operating mills at

Murray Bay, Que. — Sault Ste. Marie, Ont.
Beaupre, Que. — Iroquois Falls, Ont.
Sturgeon Falls, Ont. — Smooth Rock Falls, Ont.
Espanola, Ont. — Fort William, Ont.
Pine Falls, Manitoba

Daily Capacity 2200 Tons Newsprint

Groundwood Pulp — News Sulphite Pulp

High Grade Bleached Sulphite Pulp

SHIP B. C. LUMBER TO UNITED STATES DESPITE TARIFF

Higher Prices and Currency Depreciation Allow Competition

From Our Own Correspondent

VANCOUVER. — During the period of depreciated currency British Columbia lumbermen, despite a United States tariff that was regarded as prohibitive when first enacted, have been able to invade several markets in the states.

Pacific Northwest states lumber interests are complaining of this situation, but advices from Washington to lumber exporters here indicate that in view of the more reasonable attitude on tariffs entertained by the Roosevelt administration there is not likely to be any further restrictive measure at this time. Indeed, there are signs that the existing tariff on lumber may be reduced as part of the proposed reciprocal trade agreement.

The $3 tariff that became effective in the United States on July 1, 1932, has had the effect of shutting out practically all British Columbia lumber from the United States market. But while British Columbia has practically ceased to flow through the usual customs channels in Washington state, B. C. lumber has been able to find sales on the Atlantic seaboard states.

Compete Successfully

The price of lumber going to the Atlantic seaboard has been steadily advancing, and it has now reached the point where, by reason of an advantage obtained through currency depreciation and also by reason of cheaper transportation facilities. British Columbia shippers have been able to unload an accumulation of side cut lumber in that territory. While prices were low it was impossible for B. C. mills to compete for that business, but now they enjoy a small but sufficient advantage over the mills in Washington and Oregon.

Although practically no B. C. lumber is now entering the United States through the state of Washington, as formerly, importations into the United States of B. C. red cedar shingles, fir and cedar logs have continued in large volume. In fact, the figures are virtually the same as in 1932 before the tariff became effective.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Turnbull Furnace Co. has been established in Brantford, Ont., using a part of the old pottery factory, and is already in production. The product of the company is a self-stoking furnace for which John Turnbull, owner of the company, holds the patents. Five men are at present employed and increases to staff are expected.

International Bitumen Co., which has large holdings of tar sands in the Fort McMurray area, plans to erect a refinery there, according to advices from that city. The plant of the company is at present producing 200 barrels of pure bitumen per day. The refinery will be used to separate the various oils and pure asphalt from the present product. R. C. Fitzsimmons is in charge of field operations at Fort McMurray.

Commodity Prices

	Week ending May 27	Previous week	Same week last yr.
Cattle (cwt.)	§$5.50	$5.45	$6.25
Copper, lb.	.07½	.07	.05⅝
Cotton, lb.	.0915	.0825	.0569
Rubber, lb.	.0560	.0481	.0271
Sugar, raw, lb.	.0330	.0327	.0260
Silk, lb.	1.67½	1.32½	1.15
Wheat (Man.) bu.	.65	.62¼	.63⅞
Hides, lb.	.11	.10½	.04¼
Coffee, lb.	.08¼	.08½	.08¼
Weekly Indices			
N. Y. Annalist‡	90.7	91.0	88.5
Fishers'	▲63.0	62.3	†62.0
N. Y. Journal of Comm.	60.0	59.0	55.7
Crumps (Brit.)*	61.7	61.1	†62.4

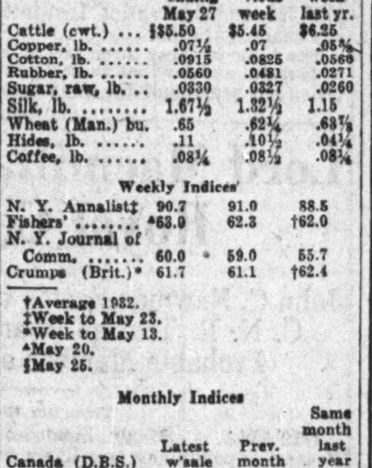
†Average 1932.
‡Week to May 23.
*Week to May 13.
▲May 20.
§May 25.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (Apr.)	65.4	64.4	68.2
Retail (Apr.)	78.6	78.4	83.7
U. S. Labor (Apr.)	60.4	60.2	65.5
Gt. Brit. (Mar.)	65.9	66.7	70.6

‡ Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Lundy Fence



Your home is not complete until you have it enclosed and protected by Lundy Fence.

Ornamental Fencing for All Purposes.

Wrought Iron Fence and Entrance Gates.

Chain Link Fence.

Estimates and Suggestions Gladly Given.

Lundy Fence Company LIMITED

257 King St. West, Toronto 2

Increase YOUR Sales » » with sound credit

A connection whereby this strong, reliable finance company relieves you of all details of credit and collections will definitely save you TIME . . . and save you MONEY.

Through our co-operation you not only secure sales that would NOT materialize unless credit were extended . . . but you also avoid tying up valuable working capital in long-term receivables.

The personnel of our 14 branches throughout Canada is composed of men of long experience in deferred payment banking. They will be glad to explain in detail our plan which covers more than 50 different commodities.

INDUSTRIAL ACCEPTANCE CORPORATION LIMITED

A National Service — A Canadian Company

Toronto, Montreal, Quebec, Ottawa, Hamilton, Windsor, London, Halifax, St. John, Winnipeg, Calgary, Vancouver, Edmonton, Regina.

Pulleys, Saws, Mill Supplies
Belting for Every Need
N. SMITH BELTING WORKS
138-140-142 York St.
Toronto, Can.

WHEN REMITTING SEND CANADIAN NATIONAL EXPRESS MONEY ORDERS

GEORGE F. HARDY
Consulting Engineer
305-309 Broadway, New York City, N.Y.
Member
Amer. Soc. C.E. — Amer. Soc. M.E. — Eng. Inst. Can.
Consultation — Reports — Valuations — Estimates
Paper and Pulp Mills — Hydro-Electric and Steam Power Plants — Plans and Specifications

The Stock Market never offered such a good Proposition

A $10,000 SECURITY for 37¢ A DAY

THIS INVESTMENT should appeal particularly to men who have had "experience" in the stock market.

Stop for a moment and consider if any stock, no matter how speculative, ever offered you a proposition equal to this. Were you ever able to buy:—A $10,000 security on a margin of about 1% and pay the balance at the rate of 37c a day?

A security that cannot shrink in value? A security on which your estate can immediately realize the full face value in cash, in the event of your death, no matter how few instalments have been paid?

That is the guaranteed proposition THE GREAT-WEST LIFE Assurance Company offers you with the "Double Protection" policy. It excels any stock market investment you could make.

This plan offers you $10,000 "Double Protection" for only 37c a day at age 35. (Slightly larger amounts if you are over 35). Compared with ordinary life insurance, should death occur before age 60, it pays twice the amount of insurance at slightly more than the regular cost.

Send today for the interesting details of this policy or any other form of life insurance in which you are interested. We will also send you our latest financial statement.

THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE: WINNIPEG

Mail THIS COUPON

The Great-West Life Assurance Co., Winnipeg, Man.

I am interested in your Double Protection Policy. Without obligation send particulars. Dept. 87-E.

Name ....

Address ....

IMPERIAL OIL EARNS 55 CTS. COMMON IN '32

Profits in Canada Nine-tenths of One Cent Per Gallon

PETE LARGE EARNER

Dividend Covered and Surplus Increased — Great Strength Maintained Though Working Capital Down

Imperial Oil net income in 1932 was $14,713,238, equal to 54.93 cents a share on 26,783,092 no par value common shares outstanding, as compared with $18,226,895, or 68.16 cents a share on 26,750,327 shares outstanding at the end of 1931.

For the first time the company segregates its Canadian and other income showing $4,331,157 or 16.17 cents a share of the 50 cents a share annual dividend, to have been earned in Canada.

The income from the marine and tank car departments exceeded a million dollars. Of other net income of $9,311,798 it is probable that about eight and three quarter million dollars came in the form of dividends on Imperial Oil's holdings of preferred and common shares of International Petroleum.

The company's operating profits in Canada are 29.44 per cent of the total earnings of the company.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended Dec. 31

	1932 $	1931 $
Total oper. profits ..	*5,401,439	10,613,869
Add: Other net income	†9,311,798	9,517,746
Total income	14,713,237	20,131,615
Less: Inc. tax, est. .	....	1,904,720
Net profit	14,713,237	18,226,895
Less:		
Dividends	13,379,836	....
Surplus for year	1,333,401	....
Prev. surplus	108,584,328	....
Add: Surplus adj. ...	41,069	....
Bal. carried forward .	109,958,798	....

*Includes income from Canadian business, $4,331,157, and income from transportation (marine and tank car depts.) $1,070,282.

†Income from rents, interest, dividends and income received from investments outside of Canada.

Inventories Depreciate

C. O. Stillman, president, states that the reduced earnings reflect "the unprecedented economic difficulties experienced in all classes of industry." There was a reduction in the consumption of petroleum products, principally in the Prairie provinces, and a contraction in the margin of profit on each unit of sale. Inventories depreciated $1,998,245 during 1932.

"The net profit on gasoline manufactured and sold by your company in 1932 was less than nine-tenths of one cent an Imperial gallon," said Mr. Stillman.

Maintains Great Strength

The company maintains the great financial strength for which its name has become synonymous in the oil industry. Though working capital is down nearly $11,000,000 and the ratio of current assets to current liabilities has also fallen, the company has increased its holdings of "stocks of other companies, Dominion of Canada bonds, miscellaneous investments and other assets" from $67,565,016 to $78,844,011, or more than $11,000,000.

In most statements Dominion of Canada bonds appear among the current assets. The amount is not shown but it is certain that a large part of this item has definite market value; for example, the company's holdings of International Petroleum preferred and common stocks at current market valuations are alone worth 50 per cent more than the total given for this item. That the company does not consider them as current assets is simply an indication that these are securities it considers as permanent assets.

Working Capital

	1932 $	1931 $
Current assets	57,204,973	66,752,422
Current liabilities	7,894,426	6,474,039
Working capital	49,310,547	60,278,383
Ratio	7.24—1	10.31—1

Income Taxes Up

Possibly as a result of increasing its other assets cash is down from $17,245,522 to $13,816,337, bills and accounts receivable from $17,920,393 to $13,804,236, inventories from $31,582,645 to $29,584,400, of which materials and supplies make up $2,922,426.

Among current liabilities accounts payable increased in the year from $4,085,129 to $5,036,344, reserve for estimated income taxes from $1,904,720 to $2,102,707 and other accrued liabilities from $484,190 to $755,375.

Real estate, plants, floating and other equipment advanced in value from $121,050,244 to $124,586,328, and for the first time this is divided to show that $112,333,827 represents land, buildings, plant and other equipment while the remaining $12,252,502 stands for floating equipment.

All reserves increased during the year from $64,389,877 to $67,241,735. Of this latter amount the latest statement shows that depreciation on buildings, plant, floating and other reserves, including fire, marine, cargo and freight insurance, annuities, etc.

Important Policies Started

Mr. Stillman, in the report to shareholders, makes detailed reference to three important policies inaugurated by the company during the year: 1st, the marketing of products other than petroleum such as tires, batteries, oil burners and motor car accessories; the inauguration of a five-day week to spread employment; and debt adjustment and interest reduction with payments over a five-year period adjusted on the basis of 70 cent wheat to aid the farmer.

The Imperial and International fleets consist of 24 vessels of 180,863 deadweight tons. These modern tankers in 1932 transported 25,608,824 barrels of crude oil and products.

Got Low Cost Crude

Of the Colombian and Peruvian activities of International Petroleum and its subsidiary, Mr. Stillman had the following to say: "Production of crude oil in Colombia totalled 16,417,125 barrels or 44,856 barrels daily, as compared with a total of 18,237,190 barrels or a daily average of 49,965 barrels in 1931. The potential production was greatly in excess of the crude oil produced and the curtailment was voluntary. Drilling was restricted to proven structures and consisted principally of completing wells to a shallow producing horizon and deepening older wells to lower productive sands. Thirty-two new wells were drilled. Twenty-six of these were at Infantas and averaged initially 179 barrels daily. Six were at La Cira and averaged 603 barrels initially. Fifty-four wells were deepened with satisfactory results. The small amount of drilling involved in bringing in the shallow wells and deepening the older producers resulted in development of relatively low cost crude.

Total shipments of crude oil and products were 8,220,374 barrels. Of these shipments 44.2 per cent went to Europe, 37.6 per cent to South America and 18.2 per cent to Canada.

For information as to how a complete analysis of this company can be obtained see page 2.

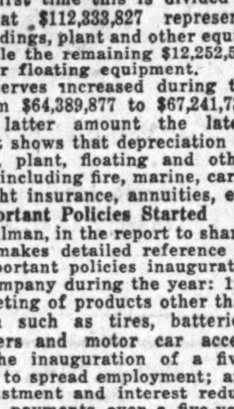
Black & Armstrong
Real Estate, Valuations, Rentals, Farm Lands, Mortgages and Insurance
200 Toronto General Trusts Bldg.,
Winnipeg, Manitoba

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

Established in 1889
By the late J. P. Langley, F.C.A.
J. P. LANGLEY & CO.
C. P. ROBERTS, C.A.
Chartered Accountants
G. S. HOLMESTED
Authorized Licensed Trustee in Bankruptcy.
Liquidator, Receiver, Etc.
Offices
McKINNON BUILDING
Elgin 5305-6 TORONTO

QUEBEC LAND SURVEYORS
LINDSAY & BELANGER
C. C. Lindsay, C.E. & Q.L.S. Henri Belanger Q.L.S.
City and Country Property, Townsites, Mining Claims, Power Sites and Flooded Areas, Transmission Lines, Timber-limit boundaries, etc.,
Architects' Building,
1135 Beaver Hall Hill, MONTREAL, Que.
Tel. LAncaster 7184

Investors' Chronicle
6d. Established 1860 6d.
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post-card application to:—
THE PUBLISHER,
INVESTORS' CHRONICLE,
20, BISHOPSGATE,
LONDON, E.C. 2, ENG.



Manufacturers of
INDUSTRIAL
and
HOUSEHOLD
Cottons
in Canada
for over
TWENTY-FIVE YEARS
DOMINION TEXTILE
Company Limited
MONTREAL
TORONTO
WINNIPEG
VANCOUVER

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG MANITOBA

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH
TORONTO OTTAWA WINDSOR
CLARKSON, McDONALD, CURRIE & COMPANY
MONTREAL and QUEBEC
Chartered Accountants
E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers
15 WELLINGTON STREET WEST TORONTO

Consolidated Paper Corp. First Financial Report Reflects Paper Situation

Loss of $98,087 for 15 Months Before Depreciation

CUT BIG BANK LOANS

Many Notable Changes Effected in Affairs of Company Since Reorganization Approved

From Our Own Correspondent

MONTREAL. — Operations of Consolidated Paper Corp., successor to Canada Power and Paper Corp., show a loss of $98,087 for the 15 months ended March 31, 1933, after providing for all operating costs, taxes, bank and other interest, carrying charges on properties not operated and bond and debenture interest on subsidiary companies, but before depreciation.

Considerable interest attaches to this, the first report of Consolidated Paper. Under the plan of reorganization for Canada Power, Consolidated Paper was relieved of the majority of its obligations in respect to funded debt.

Period Was Unfavorable

The period of operations covered in the present report has not been favorable to newsprint operators. Demand for newsprint in the United States and elsewhere has been on a lower basis, while the price of newsprint has fallen to the lowest level in the past two decades.

Gross income of Consolidated Paper for the 15 months totalled $2,448,849. This item is not broken down, but it is understood that a substantial proportion of the income from operations came from the Wayagamack kraft division. Dividends from investments held by the company, notably a block of 100,000 shares of Shawinigan Water and Power Co., contributed to the revenue account.

Bank and other interest cost Consolidated $790,137 during the period while bond and debenture interest payable by subsidiaries amounted to $90,496. Carrying charges on properties not operated totalled $1,666,302, leaving a loss for the period, before depreciation, of $98,087.

Assets at $84,189,000

The balance sheet at March 31, 1933, shows the new set-up and is not comparable to that last issued by Canada Power. Assets are shown on the books at $84,189,206. The comparative figure for January 1, 1932, was $89,890,703. The principal change was in a reduction of inventory values.

Mill plants, timber limits (valued at $1) and other properties are carried on the books at $72,872,327. The company has four newsprint plants, three of which are at present in operation.

Drop Capital Liabilities

During the year Consolidated transferred its half interest in the Thunder Bay Paper Co. property to Abitibi Power and Paper, thereby cancelling a capital obligation of $1,545,000.

The company also has relinquished its rights to the Ottawa-Laurentide timber limits. An arrangement was made with the Hawkesbury Lumber Co. whereby a debt of $2,493,000, owing on the purchase price of the limits, was cancelled and the limits reverted to Hawkesbury Lumber.

Receivables Are Weak

Accounts and bills receivable are shown on the books at $3,651,348. The auditors point out that in this division are included the following amounts: Price Bros. and Co., $526,993. Price Bros. Sales Corp., $736,747 and Newsprint Institute of Canada, $345,065.

The value of these three accounts is doubtful and for that reason provision has been made for their non-receipt through the contingency reserve of $2,987,603.

Hold Shawinigan Stock

Other investment securities are shown at $1,785,200, with a market value on March 31 of $1,409,024. This category covers holdings of 100,000 shares of Shawinigan Water and Power common stock; 5,625 shares of Dominion Engineering Works, and 20,000 common shares of Howard Smith Paper Mills.

Write Down Holdings

Shares in and advances to associated companies are put down on the books at a nominal figure of $1. This asset covers a half interest in the common stock of Quebec Pulp and Paper Corp., originally acquired by Port Alfred Pulp and Paper, as well as the company's proportion of stock on the Newsprint Bond and Share Co., which controls Bathurst Power and Paper Co. The latter stock has not been fully paid and provision is made for further payments through a "capital liabilities" account of $628,020.

$15,176,764 of Loans

Turning to liabilities, Consolidated shows three current loans on the balance sheet. Bank loans secured under Section 88 of the Bank Act and Pledge of certain other assets, total $6,395,000, as against $11,200,000 at the beginning of 1932.

Special secured bank loans total $8,249,725, or roughly the same as at the beginning of last year.

A secured loan from the Montreal Trust Co., of $532,033 compares with $546,518 on January 1, 1932.

As at March 31, 1933, Consolidated had a total of $15,176,764 of loans. During the period current bank loans were reduced by $4,805,000.

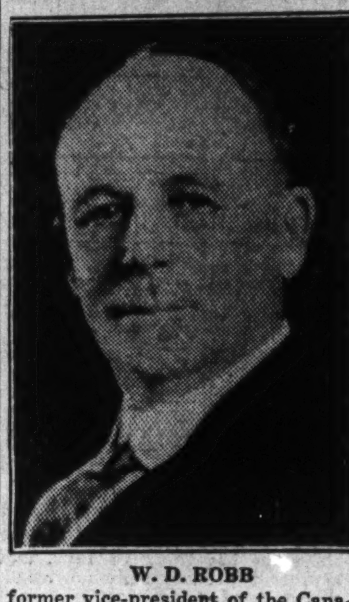
Reduce Bonded Debt

During the period bonds of subsidiary companies were reduced by $172,040. Wayagamack News has outstanding $1,272,634 of bonds and Ha! Ha! Bay Land and Building Co. $112,200.

Consolidated Paper's own bonds issued total $63,004,800, of which $11,597,900 are pledged as collateral against special bank loans, leaving $51,406,900 in the hands of the public.

Capital and surplus, represented by 1,534,725 of no par value common shares, totalled $1,535,235 which was reduced by the extent of the deficit on the year's operations to $1,437,147.

Joins Trust Board



W. D. ROBB
former vice-president of the Canadian National Railways and director of Howard Smith Paper Mills Ltd., who has been elected a director of Prudential Trust Co.

Lord Macmillan Offered Royal Commission Post

John C. Newman Seems Certain for Chairmanship of C. N. R. Trustee Board — Sir Thomas White Probable Member of Banking Committee

From Our Own Correspondent

OTTAWA. — Many important Federal appointments are likely to feature the next ten days.

Before Premier R. B. Bennett leaves for London it is hoped to constitute the new Trustee Board of the National Railways and, also, the Royal Commission to enquire into banking and monetary questions.

With respect to the Trustee Board the favorites remain largely as before, with John C. Newman, of Montreal, conceded to be the likely choice for the chairman.

Royal Commission

The status of the Royal Commission is somewhat nebulous. There are to be five members and two of them will be drawn from outside of Canada. It may be taken as official that the chairmanship of the commission has been offered to Lord Macmillan, who was the chairman of the British committee on Finance and Industry. This committee was appointed on November 5, 1929 and reported June 23, 1931.

(In The Financial Post of April 15, an editorial urged the government to endeavor to secure the services of Lord Macmillan to head the banking commission.)

The reference to the Macmillan committee in Britain is substantially the same as will govern the enquiry to be held in Canada. The vital clause in the former was: "to enquire into banking, finance and credit, paying regard to the factors both internal and international which govern their operation, and to make recommendations calculated to enable these agencies to promote the development of trade and commerce and the employment of labor."

Six Months' Work

But while the British committee required many months to complete its enquiry, the Canadian commission will be expected to return a report within six months at the least.

It is not yet known if Lord Macmillan will accept the chairmanship of the commission and there is no information yet available as to whom the government will select as the second non-Canadian members.

But of the three members who will be drawn from Canada, at least one can be forecast in the person of Sir Thomas White, of Toronto. And at least one of the other two will be a prominent Canadian banker.

New Issue
PROVINCE OF ONTARIO
4% and 4½% Debentures
We would be glad to execute orders for this issue.
J. L. GRAHAM & COMPANY
GOVERNMENT AND MUNICIPAL
BONDS
25 KING ST. WEST TORONTO
TELEPHONE ADELAIDE 4411

PRUDENTIAL TRUST EXPERIENCE LOSS DURING PAST YEAR

Special Losses at Branches Cause Impairment of Capital

From Our Own Correspondent

MONTREAL.—Operations of Prudential Trust Co. in 1932 resulted in a loss and the necessity of making provisions for special losses at branches caused an impairment of capital, which is being taken care of through a reduction in the par value of the company's stock and thus creating a surplus.

Gross revenue last year, including accounts previously written off and recovered, totalled $56,899. Against this administration expenses totalled $59,609; additional reserve required on revaluation of assets $43,439; and provision for special losses at branches $42,313. This created a deficit of $84,522 after taking the previous balance of $3,940 into consideration.

The balance sheet at December 31, 1932, shows total company assets of $396,963. Capital stock fully paid up amounted to $350,540. Unclaimed dividends are down at $83; amounts payable and accrued charges, $38,991; and amounts due shareholders on reorganization of capital stock, $7,350.

Details of Assets

Among the principal assets of the company are real estate held for sale having a value of $76,467; mortgages, $7,016; office premises, $70,054; federal and provincial bonds, $78,170; Canadian municipal and school district debentures $28,380. Stocks of other companies are carried at a nominal figure of $1, while accounts receivable aggregate $15,583. Advances to estates, etc., total $11,859, while the profit and loss debit balance amounts to $84,522.

Trust and agency funds managed by the Prudential Trust amount to $5,854,008, while bond trusteeships and transfer agencies have a face value of $87,567,353.

DOMINION STORE SALES IMPROVE

Chain Benefits By Increase in Commodity Prices; Opens New Stores

Sales of Dominion Stores Ltd. increased by $49,000 in May over the preceding four-week period in contrast to a decline of $20,000 in the same period in 1932. While sales were lower in May, 1933, than in May, 1932, by 12.44 per cent the decrease is less than in any four-week period in the current fiscal year. Total sales of the company in the first 20 weeks of 1933 are reported at $7,514,974, a decline of 17.08 per cent from sales of $9,063,032 reported in the first 20 weeks of 1932.

Inventory position of the company is reported to be good and the company stands to benefit from any sustained rise in the general level of grocery commodity prices. A gradual improvement has been noticeable since February. Profit tends to increase as prices increase while operating economies have been effected in the past 18 months and operating expenses for 1933 are budgetted to show a reduction of at least $200,000 from those of 1932. The company has closed a number of unprofitable stores this year while a number of stores have been opened at other points. The most recent store to be opened is in Toronto and is exceptionally large and ultra-modern.

Hydro-Electric Exports Drop Sharply Last Year

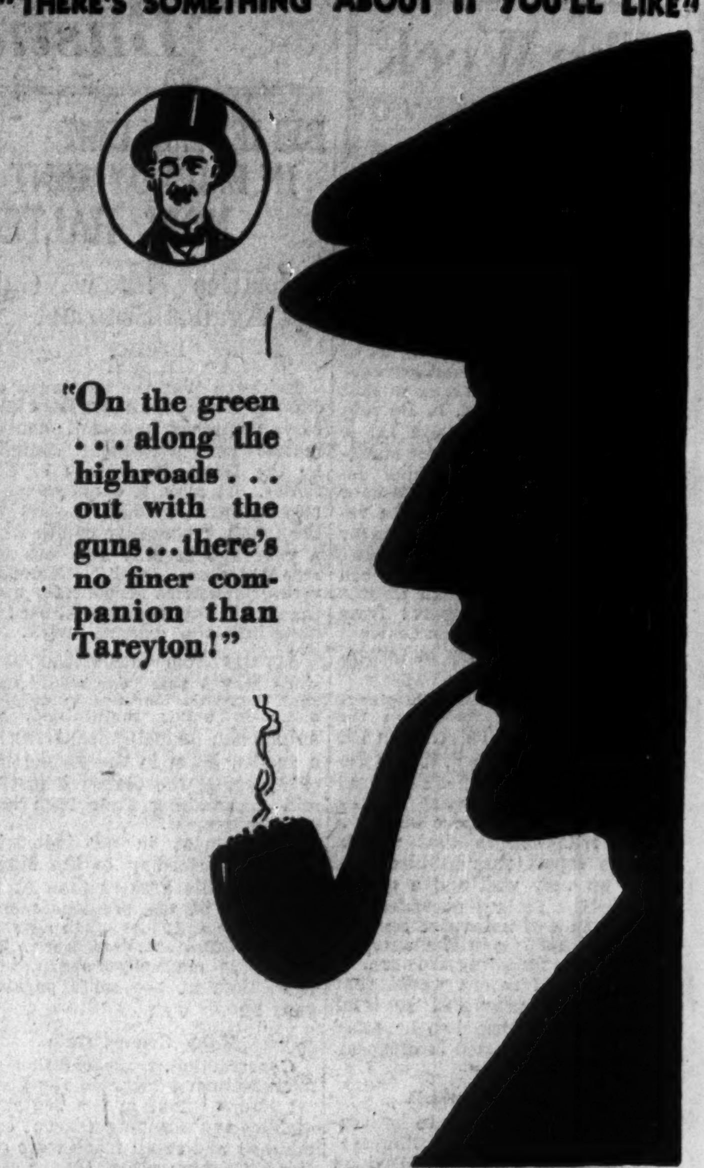
From Our Own Correspondent

MONTREAL. — Exports of hydro-electric energy from Canada to the United States in 1932 totalled 659,901,000 kw.h., according to a report prepared by the Dominion Bureau of Statistics. This was a decrease of 53 per cent from the volume exported in the previous year.

Slightly more than one half of the export was from the Ontario Hydro-Electric Power Commission, the figure being 350,019,900 kw.h.

Twelve other concerns engaged in the export of power last year. Cedars Rapids Manufacturing and Power Co., subsidiary of Montreal Power, was the second largest exporter with 180,076,316 kw.h., while Canadian Niagara Power Co. ranked third with 103,049,092 kw.h.

"THERE'S SOMETHING ABOUT IT YOU'LL LIKE"



"On the green . . . along the highroads . . . out with the guns . . . there's no finer companion than Tareyton!"
HERBERT TAREYTON HT-3
LONDON SMOKING MIXTURE

New Issue

ONTARIO

THE TREASURER OF THE PROVINCE OF ONTARIO OFFERS FOR PUBLIC SUBSCRIPTION

$25,000,000
GOVERNMENT OF THE
PROVINCE OF ONTARIO
4% and 4½% Debentures
(Non-Callable)

$10,000,000 - 4% Serial Debentures, dated June 1, 1933, due in equal annual amounts of $2,000,000 from June 1, 1934 to June 1, 1938 inclusive.

$15,000,000 - 4½% 17-Year Debentures, dated June 1, 1933, due June 1, 1950.

Coupons June 1 and December 1.
Registerable as to principal only.

Principal and interest payable in lawful money of Canada in the Cities of Toronto, Ottawa, Montreal, Winnipeg, Vancouver, Halifax or Saint John, N.B., at the holder's option.

Denominations:
4% Serial Debentures, $1,000 only.
4½% 17-Year Debentures, $100, $500 and $1,000.

Legal opinion of the Attorney-General of Ontario and of E. G. Long, Esq., K.C.

These Debentures are a direct obligation of the Province of Ontario, authorized by Act of the Legislature of the Province and are a charge as to principal and interest upon the Consolidated Revenue Fund of the Province.

The proceeds of this issue will be applied to the funding of short term indebtedness incurred for capital expenditures.

ISSUE PRICES

$ 2,000,000	4% Debentures, due 1934	- 99.76	yielding 4.25%	to maturity.
$ 2,000,000	4% Debentures, due 1935	- 99.53	yielding 4.25%	to maturity.
$ 2,000,000	4% Debentures, due 1936	- 99.16	yielding 4.30%	to maturity.
$ 2,000,000	4% Debentures, due 1937	- 98.73	yielding 4.35%	to maturity.
$ 2,000,000	4% Debentures, due 1938	- 98.22	yielding 4.40%	to maturity.

Subscribers to the above Serial Debentures in amounts of $25,000.00 and over will be required to take approximately one fifth of their allotments in each maturity.

$15,000,000 4½% Debentures, due 1950 - 99.00 yielding 4.58% to maturity.
Plus accrued interest in each case

Applications to the above loan will be received by any Branch of any Chartered Bank in Canada, any Branch of The Province of Ontario Savings Office, and by recognized bond dealers and stock brokers, from whom may be obtained copies of the official prospectus containing complete details of the loan.

Subscriptions to this loan will be subject to allotment and the lists will close at the discretion of the Treasurer of Ontario.

Interim Debentures in bearer form will be available for delivery on or about June 12, 1933.

TREASURY DEPARTMENT,
PARLIAMENT BUILDINGS,
TORONTO, MAY 31, 1933.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JUNE 3, 1933 | 10c a Copy; $5.00 a Year | No. 22

World Parley's Task is to Draft Treaty of Economic Peace

Conference of 1927 Failed Because Urgency of Ending Economic Warfare Between Nations Was Not Recognized—This One May Be More Successful

The World Economic Conference in Brief

Where: London. **When:** Opens June 12. Duration indefinite.

Chairman: Rt. Hon. Ramsay MacDonald. **Opener:** King George V.

Why: Called by League of Nations at suggestion of world statesmen to discuss and if possible devise international measures to promote economic recovery.

Who: 58 nations will take part and will be represented by delegates who will include many heads of governments and key ministers.

Programme: Agenda for conference has been drawn up by committee of experts appointed at invitation of League of Nations by nine governments, by various international financial, labor and similar organizations.

Subjects:
1. Monetary and credit policy.
2. The level of prices.
3. Resumption of the movement of capital.
4. Restrictions on international trade.
5. Tariffs and treaty policy.
6. Organization of production and trade.

Not on the programme but in the minds of delegates will be:

7. Reparations and war debts.
8. Political security.

Recommendations: Chief proposals of preparatory experts:
1. Early return to a revised international gold standard.
2. Determination of the national and international monetary policies that will enable the gold standard to be preserved.
3. In the interim, measures to stabilize currencies in foreign exchange.
4. Action to enhance the use and price of silver but not bi-metallism.
5. Measures to increase the level of prices by—
   a. Reduction of interest rates;
   b. Easing of credit through central banks;
   c. Stimulation of private and public spending programmes;
   d. Loans to countries with reduced purchasing power.
6. Abolition of foreign exchange restrictions.
7. Adjustment of international debts.
8. Resumption of international lending.
9. Progressive abolition of quotas, licenses, prohibitions and other restrictions on foreign trade.
10. Abolition of foreign exchange restrictions.
11. At once, a truce to tariff increases.
12. General reduction of tariffs by one or more of these methods:
    a. By general agreement of the conference;
    b. By collective agreements of groups of governments;
    c. By bi-lateral negotiations;
    d. By voluntary action on the part of individual governments;
13. Definition of the terms and scope of the most-favored-nation clause in tariff treaties.
14. International agreements to control the production and sale of basic commodities, such as wheat.
15. Measures to improve the efficiency of transport and abolition of govermental subsidies to shipping.

Every business man, every unemployed worker, every political leader the world over, now waits upon the Monetary and Economic Conference that will bring representatives of 58 nations together in London in June.

The economic disintegration of the past three years has been close to temporary halt as hopes have been raised of a successful outcome of the Conference. To the average man, this means definite agreement upon international action to remove some of the obstacles to world recovery.

A few weeks ago the prospects for wide agreement at the conference were not bright. War clouds hung low and the economic warfare was still on. Then came a series of startling "grand moves" as European statesmen supported the efforts of President Roosevelt to clear the air and permit honest, friendly discussion of vexed problems. The conference will at least be able to open with the skies bright.

What Happens if Conference Fails?

If it closes with the skies equally bright it will augur well for the world. If it closes without substantial agreement, among the chief nations at least, on key problems, the best that can be expected is that the world will merely keep on hoping; will convince itself that after all London is not the only doorway out of the present distress. But a complete breakdown would more likely be followed by a resumption of economic warfare; by an attempt on the part of each nation to live alone, or to group itself with others for mutual trade protection.

This would mean a continuation of present uncertainty and lack of confidence. It does not necessarily mean ultimate chaos.

Objective is to Sign Treaty of Peace

The objective of the Conference must be to see if the nations can not agree upon an economic treaty of peace. The Treaty of Versailles ended the Great War but it gave the signal for a trade and credit war, in which the bullets were tariffs, quotas, currency adjustments, preferential treaties, etc., and which has been just about as devastating in its effects upon mankind as was the great military struggle. Trade peace is the purpose of the London conference.

The world economic picture as the monetary and economic conference meets is gloomy on the whole, although brightened by hope. For three successive years, the international flow of goods has declined. World trade is at an incredibly low level, scarcely a third of that of 1929. Wholesale commodity prices, expressed in gold, have declined since 1929 by roughly a third. Prices of primary products such as raw materials, wheat, etc., have declined on the average by more than 50 per cent.

Profound disturbances have been caused by these declines. They have thrown completely out of adjustment all prevailing costs of production, made business enterprise unremunerative, disorganized world markets and upset the previously existing equilibrium between debtors and creditors.

Unemployment at Peak

Unemployment has mounted to peaks hitherto unheard of. It is estimated that there are at least 30,000,000 would-be-workers in the world who cannot find jobs. When one considers families and dependents, probably 10 per cent of the people in the world have no income whatsoever from labor and many others are eking out meagre pittances.

World stocks of agricultural products and other raw materials have piled up. The monetary system designed to make the stocks available to those in need has almost completely fallen down.

Not only have the incomes of the people fallen but the incomes of governments have also fallen without any commensurate reduction in their debts and costs. In fact, the expenses and debts of most countries have increased as the State has tried to look after those in want. Taxation has reached such a level in most countries as to verge upon the Socialist ideal of a redistribution of wealth through governmental intervention.

No Stability in Exchanges

Currencies are disorganized. The gold standard has been abandoned by most of the countries of the world. There is no certainty that when the Economic Conference opens any country will be on the gold standard. Since no adequate substitute has been devised there is no international standard of value, no basis on which international trade can be done except day to day guess work.

To meet the appalling conditions of the depression, countries have been forced to adopt strenuous measures of economic self-protection. Economic nationalism helped to create the present conditions and has been fought by more economic nationalism. Fighting fire with fire, the whole economic and social system of the world has been subjected to the hazard of general conflagration.

Concerted Action Needed

Individual countries have found themselves practically powerless to meet the depression single handed. It is generally recognized that concerted international action is essential. And each day that has passed has seen new barriers to such international action established. The difficulties have not in any degree been smoothed away by the growing feeling of distrust in the world, largely as a result of a war between China and Japan, and the militant rebirth of Germany under the fiery Hitler. The Treaty of Versailles rests like a cloud on the horizon of the continent. The danger of political warfare makes difficult the signing of a treaty of peace in the great economic warfare.

Preliminary Measures

In anticipation of the conference, some measures to promote international economic recovery have been taken. Various countries have undertaken to strengthen their own internal position by new policies, some designed in a manner to create new problems for other countries, others helpful to the world at large. Britain abandoned free trade in favor of protection. She went off gold and attempted to stabilize her currency at a low level. The United States abandoned gold while still holding enormous stocks. The British Dominions worked out trade treaties with one another. Each of these moves made its contribution to general recovery. But each one created new problems for other countries. Was the net result of any one of them good or bad? Who can write the final answer?

There is no doubt as to the seriousness of the world's problem. There is little doubt as to the broad lines of escape. There is even virtual international agreement as to what measures would best promote international economic peace.

But it will be difficult to obtain concerted action in favor of these measures. Suspicion, jealousy, even hate are still prevalent in this post-war world. Each nation wishes to cling to its minor gains, fearing to let them go lest it not share in a commensurate degree in any general improvement. The middle west of the United States prefers the bird-in-the-hand of the war debt payment to the ten-birds-in-the-bush of higher incomes from foreign trade. Every nation has a score of similar birds in the hand which it wishes to protect. "Economic Man," who is inherently selfish, merely personifies the "economic nation."

Substitute For Dictator

An international economic dictator, with the power of life or death over every man and over every activity of man, could, if he had wisdom, strength and power, bring order out of chaos. But there is no international economic dictator. The purpose of the London Conference must be to create first a frame of mind, then a set of regulations, and then a will to adopt and enforce these regulations that will serve as an effective substitute for the mythical dictator that is denied the world.

This is the setting for the great conference.

Started With Moratorium

How did the World Economic Conference come about? It really started with the Hoover moratorium on war debts in 1931. This moratorium was followed by the calling of a general conference on the international debts problem. The British Government sent a note to France expounding the view that reparations and war debts were the chief cause of the world economic crisis and that their removal or mitigation would be the most effective and quickest means of dealing with a growing menace to the world. At the same time, a committee of world bankers who had convened at Basle to discuss the solvency of Germany and her ability to continue reparations payments recommended that the adjustment of all reparations and war debts was the only step capable of establishing lasting confidence in Germany or elsewhere and that such confidence was the root condition of economic stability. The interested governments were invited to meet at Lausanne to discuss the problem of reparations. In June last, 18 nations met for this conference. An agreement was signed which virtually ended German reparations payments although a formal agreement to the side indicated that in the opinion of France, at least, final abandonment of reparations was contingent upon readjustment which would practically wipe out the debt of France and other European countries to the United States.

Commission of Experts

Among the recommendations of the Lausanne Conference was one inviting the League of Nations to convoke at a convenient date a conference on monetary and economic questions. The League of Nations took up the challenge. The council of the league appointed a chairman of a committee for the conference. Sir John Simon, British representative on the council, was appointed chairman of the Preparatory Committee. In turn, a commission of experts was appointed to prepare a draft agenda for the conference. The experts met last November and after dividing up their work met again in January and produced a draft agenda for the conference outlining the world economic and monetary problems that must be solved. This agenda will comprise the chief programme for the conference to meet in London.

The primary purpose of the conference is to study the economic and financial difficulties which provoked and are contributing to prolong the present world crisis. Originally, the purpose was to discuss particularly ways and means of restoring currency to a healthy basis thereby making it possible to abolish measures of exchange control and to remove transfer difficulties. From that point, the subjects for discussion increased until the whole problem of facilitating the revival of international trade came under review. Thus, when the conference is opened on June 12, by King George and continues under the chairmanship of Rt. Hon. Ramsay MacDonald, it will have on its programme for discussion practically every phase of the world economic problem.

Key Tasks For Parley

Certain key problems face the delegates. What these are has been outlined in the agenda. The first task must be to provide the world again with an effective monetary standard to the countries that have abandoned the gold standard can wisely adhere. It is not felt to be necessary that the conference should close with a declaration by each country that it will immediately return to the gold standard or some new and well devised substitute. So long as assurance can be given that such a standard can be created and invoked and so long as the nations agree upon the conditions under which each country can individually adhere to it a great step forward will be taken.

Of hardly secondary importance is the determination of ways to arrest the unprecedented fall of commodity prices and to bring about a rise in the world's level of prices as the first step in recovery. Thirdly, it is felt that the abolition of exchange restrictions is essential to world recovery. This means that governments must take the internal measures necessary to secure the stability of their budgets and their economic systems. Also the world's capital must be mobilized to be directed into the countries where it is most needed and so the stabilization of exchanges and the revival of flow capital are essential.

Tariffs and War Debts

Greater freedom in international trade is required and this involves the vexed question of reduction of tariffs and also the abrogation at the earliest possible date of emergency measures such as prohibitions and quotas imposed as a result of the crisis. The great creditor nations are challenged to show leadership.

The questions of war debts and reparations cannot be ignored in London although they were specifically excluded from the reference to the Preparatory Committee.

And since many of the economic policies that have contributed to the depression are the result of political unrest and distrust there will be overhanging the conference almost insoluble dilemmas regarding frontiers, armaments, security pacts.

All Will be There

Practically every important country in the world will be represented at the World Economic Conference. As it is being called under the auspices of the League of Nations, invitations have been dispatched to every member country. In addition, non-member countries such as the United States and Russia, have been invited to send representatives.

In most cases the representatives will be members of the governments. For instance, the British delegates include several members of the Cabinet. The Canadian delegation will be headed by the Prime Minister. The American delegation will include both members of the Cabinet and occupants of important public positions.

There will be the usual host of experts and advisors. Various international organizations such as the International Labor Office, the Bank for International Settlements, etc., have been invited to send experts to advise the conference in general. Each of the governments will bring along advisors and technical experts to advise their own delegations.

It is anticipated that delegates, experts and advisors, will constitute a total of about 1,200 and if the Imperial Economic Conference is to be taken as any criterion the number of unofficial visitors at London at the time the conference is in session will number several times that, including probably 200 newspaper correspondents from all over the world and hundreds of unofficial advisors and lobbyists for various interests.

May be Speeded Up

How long the World Economic Conference will last is a matter on which authorities differ. Apparently, the British expect it to go on for six months which would not be particularly distressing to them since the British advisors and delegates would be able to at least sleep in their own comfortable beds. Delegates from overseas do not take so kindly to the idea of a prolonged conference and those who are going from Washington forecast that it will have concluded its labors within two months. It may also be taken for granted that many of the most important delegates from the United States, Canada, and other countries will not consent to stay in London even that long.

The usual procedure at conferences of this character is for some sparring to be done at public plenary sessions, for committees to be struck and for conversations to be held between key delegates. Then an adjournment for a few days or a few weeks is taken while reports are prepared, while the heads of the chief delegations make faces at each other through the public press and while the secretaries of the numerous advisors do a little sightseeing. It is also the open season for the newspaper correspondents who find very little actual news available and are forced to fall back on the traditional type of "think" story which turns out to be a fairly accurate guess in the case of the well-informed intelligent correspondents and turns out to be pure tommyrot when written by the more superficial writers.

Platitudes Possible

Then finally the conference reconvenes and attempts to agree upon certain ideas. If there has been any measure of agreement the reports may be useful even if somewhat pious documents. If there has been complete disagreement, such as has pervaded the disarmament conference at Geneva, the final session does little more than save the faces of the delegates by agreeing upon purely platitudinous resolutions.

There is some prospect that the London Conference will not follow the traditional lines. The imminence of further economic trouble lends pressure to the urgency and will demand fairly speedy discussion. The importance of some of the men who have been chosen as delegates also makes it unlikely that long weary weeks will be spent in argument about trifles. In the background too will be the powerful influence of President Roosevelt who will be the dominant personality of the conference even though he will not be present. The bold strategic moves that he has made in promoting industrial and financial recovery in the United States will be matched by his proposals for the World Economic Conference and his influence over European policy will be strengthened rather than weakened by America's creditor position and the American policy of isolation, which can be modified as a quid pro quo for agreement at the conference on recovery policies.

Also to be considered is the fact that the Washington conversations between President Roosevelt and representatives of various European and other states served to bring about an understanding of different viewpoints on the most controversial of the questions. The two or three weeks of conversations at Washington in effect cleared away psychological barriers that might have slowed down the work of the conference in London.

In appraising the opportunity before the London Conference, one naturally turns to the World Economic Conference called by the League of Nations in 1927. This conference was composed of some 200 persons nominated by 50 goverments. They agreed upon a number of resolutions but primarily their conclusions hinged upon the statement that the chief impediment to the growth of the world's prosperity was to be found in tariff policies. The conference unanimously recommended reduction and then stability of tariffs. It cannot be said that the recommendation was completely ignored. The sharply upward movement of tariffs, which had been in full swing since the end of the war, was temporarily arrested. A few countries reduced duties, other countries eliminated such trade barriers as quotas, prohibitions, etc. There were a number of new commercial treaties between different countries which effected a net reduction all around in world tariffs.

Did Not See Danger

The obvious danger of the world's very high tariffs was not apparent to most people because the free international lending of the large creditor countries, particularly the United States, was enabling debtor countries to balance their international accounts by borrowing, and the fact that they were not able to export to large creditor markets did not worry them to the same degree that it was going to worry them later. But when the world crisis came, when the United States stopped lending abroad, the weak financial position of many of the smaller countries of the world became obvious. Immediately there was a rush to curtail imports in order to acquire the foreign balances necessary to meet debts abroad. Tariffs were raised in practically every country. Even the United States, which had no real reason for increasing its tariffs, joined in the movement while Great Britain prepared to abandon its century-old free trade policy. Jealousy and suspicion, based upon the political insecurity of the world, enhanced this tendency to economic nationalism.

Tariff Was Resumed

By 1929, the temporary halt in tariff raising had given way to a gigantic international tariff battle which has continued almost unchecked until the present day. Thus, the World Economic Conference of 1927 may be regarded as having definitely failed in its purpose.

But this conference meets at a time when the pressure of the depression upon our political and social system is obvious. It may be more successful, more practical.

Next week the agenda of the conference will be discussed in greater detail.

Bonusing Import of Foreign Woodpulp to U.S.A. One of Many Absurdities in Free Canal System

Who uses Canada's $200,000,000 canal system?

Summary figures for 1932 with the new Welland Ship Canal getting nicely into its stride as a major waterway unit, show total freight carried at a new record high of 17,600,000 tons. The distribution was as follows: new Welland Ship Canal, 8,537,000; Sault Ste. Marie (Canadian locks), 2,337,000; St. Lawrence Canals, 6,700,000 tons. Approximately 15 per cent of the total tonnage was credited to United States vessels, the majority of this traffic being through the new Welland Ship Canal. Incidentally Canadian vessels using the United States canal at Sault Ste. Marie comprise approximately 10 per cent of the total traffic passing through that channel. In 1931, for instance, Canadian traffic through this canal amounted to just over 6,000,000 tons. The peak was reached in 1928 at approximately 8,921,000 tons while the ten-year average is roughly 6,700,000 tons. In the past 10 years approximately 90 per cent of Canadian wheat moving into Lake Huron has passed through the American lock at Sault Ste. Marie.

Wheat Manufactures and Coal

Wheat, of course, is big business. In the past five years about 35 per cent of total tonnage using the canal has been wheat, although the figures showing total tonnage through the three chief canal systems (Welland, Sault and St. Lawrence) are misleading due to duplications —mostly wheat—where cargoes use two or more canals. Three other grains—barley, rye and corn,—rank among the ten most important individual commodities using the Canadian canals, while flour last year ranked fourth. Total agricultural products last year comprised more than 50 per cent total tonnage. Manufactures and mineral products (chiefly coal) account for most of the remaining traffic though pulpwood and other grains are important individual items.

The following tables show the trend and relative importance of the canals and their traffic:

TEN LEADING COMMODITIES USING CANADIAN CANALS
(Ranked in Order of Importance, 1932)

	1932 (tons)	1931 (tons)	1930 (tons)	1929 (tons)
Wheat	6,622,237	4,842,445	5,400,500	3,905,653
Soft coal	2,745,576	2,962,734	2,347,398	1,862,106
Merchandise	†1,699,059	†1,150,851	1,003,082	1,020,118
Petroleum, gasoline, etc.	1,330,166	1,127,523	891,169	494,943
Flour	776,457	826,373	583,488	532,984
Pulpwood	731,085	644,599	1,158,837	1,064,724
Barley	617,255	1,098,192	421,940	845,346
Rye	537,938	87,106	126,169	125,574
Corn	445,151	166,930	132,532	127,398
Sugar	438,612	403,351	306,183	323,126
DISTRIBUTION OF CANAL TRAFFIC BY GROUPS				
Agricultural prod.	9,621,277	7,757,307	7,050,192	6,228,675
Animal prod.	14,629	15,830	14,240	17,723
Manufactures	3,731,934	2,776,308	2,647,653	2,619,393
Forest prod.	803,887	948,891	1,286,688	1,237,967
Mineral prod.	3,788,923	4,690,738	3,804,561	3,600,889
Total*	17,960,650	16,189,074	14,803,334	13,699,647
TONNAGE ON CHIEF CANADIAN CANAL SYSTEMS				
Sault Ste. Marie, Canadian Lock	2,337,201	2,219,567	1,691,471	2,374,119
Welland	8,537,460	7,273,886	6,087,910	4,769,866
St. Lawrence	6,693,800	6,036,980	6,179,023	5,718,651

†Includes paper for comparative purposes, although that item is now listed separately.

No Sign of Depression Here

There are no signs of depression in these canal statistics. Movement of most leading commodities in the past few years has increased substantially and 1932 saw a new high record for total tonnage moved. The influence of the new Welland Ship Canal is of course important but the prosperity has been shared by the St. Lawrence canals which showed a good gain in business for 1932.

Wheat movement fluctuates widely according to the vagaries of harvests and international trade but a fact of vital importance in the consideration of Canada's canal problem is the steady growth in the movement of manufactured goods and merchandise. Traffic in petroleum, gasoline and other oils has soared 130 per cent in the past three depression years, the total for 1932 being 1,330,000 tons. Merchandise loadings are up almost 70 per cent while figures for all types of manufactured goods are higher by 43 per cent than in 1929. Return of prosperity should further multiply canal popularity tremendously. Alongside rapidly dropping business indices and steam railway carloadings, the gains seem unbelievable. They are, until one remembers with a thud that every ton of merchandise is carried through these canals free of charge in spite of the fact that a $200,000,000 investment of government money is being used.

Bonusing Foreign Woodpulp Into U. S. A.

An even more incongruous and amazing revelation is contained in the annual report of canal statistics for 1932 published by the Dominion Bureau of Statistics. This shows that in 1932, the St. Lawrence canals carried free of charge, 56 cargoes of wood pulp consigned from Germany, Finland, Sweden and Norway to the United States. What does that mean? Simply that the Canadian government bonused the importation into the United States of 90,000 tons of foreign woodpulp to compete with the Canadian product.

The example can be duplicated many times in trade and navigation returns—it becomes most glaring in the case of soft coal which is the second most important item carried on Canadian canals—(2,746,000 tons in 1932) all of it United States bituminous travelling free of charge through a $200,000,000 waterway.

What Canals Cost Canada Annually

Financially our canals cost Canada about $12,000,000 a year—a figure which will increase to at least $14,000,000 now that maintenance charges must be met on the new Welland Ship Canal. The total may be computed as follows: Interest on $200,000,000 capital investment at four per cent amounts to $8,000,000. Actually canals are carried in our federal accounts at $245,000,000, but $200,000,000 is more reasonable because the higher amount includes moneys spent on systems now obsolete such as $30,000,000 on the old Welland canal). Another one per cent of capital cost should be added for amortization. This would be $2,000,000 annually and would retire the capital debt in about 41 years. Then maintenance and repair charges in recent years have cost another $3,000,000 annually. It is this item which will increase from now on, since up until last year all payments on account of the new Welland Ship Canal have been on capital account. A conservative estimate of additional Welland maintenance charges in the next five years is perhaps $2,000,000. Against this total of $15,000,000 ($8,000,000 interest, $2,000,000 sinking fund, $5,000,000 total maintenance) is deducted a credit of $1,000,000 being moneys received from the sale of waterpower rights and elevator receipts.

Absurdity of Canal vs Elevator Policy

Just here is a typical absurdity of our canal policy. In 1931 almost half the $1,000,000 of revenue credited to canals came from elevator charges made at the government property at Port Colborne. The elevator has only cost the government $1,764,000 in the 25 years it has been in existence, yet elevator charges have netted the government $500,000 annually in recent years. The elevator not only meets all out-of-pocket expenses but nets the government about 15 per cent on its investment. No government would consider not charging for this service yet apparently no government dreams of asking shippers and producers to pay anything toward the cost of the $130,000,000 canal it has erected for the use of the same shippers and producers, alongside the Colborne granary.

Apparently no Canadian government has as yet awakened to the fact that providing free canal service is an anachronism in the present-day scheme of things. Originally canals in Canada were built for military purposes and capital charges in connection therewith were charged to national defence. Thus the first canal ever built along the St. Lawrence waterway was a four-foot ditch dug by the Royal Engineers in 1783. Today no one ever thinks of canals as a military enterprise and the majority of users avail themselves of these facilities for private gain.

A similar situation holds true with highways. Originally governments constructed roads indiscriminately at the public expense. Now it is a recognized principle in all provinces that the major portion of the cost should be borne by those who use the roads. Hence our gasoline tax and registration licenses.

This is a principle accepted by all other major canal projects in the world such as for instance the Panama, the Suez and the Manchester Ship Canal. It is a principle steadily gaining acceptance in the United States, as evidenced by the present proposal of President Roosevelt to levy a tonnage tax on all shipping using federal inland waterways. Similarly the Coolidge railway committee which undertook an exhaustive study of transportation problems in that country, made the same significant recommendation.

"As a general principle, inland waterways should bear all costs of amortization, interest, maintenance and operation of the facilities are for navigation. If they cannot bear such charges and compete with other forms of transportation they should be abandoned. The St. Lawrence Waterways should be tested by this rule of self-support and if it fails in that test the pending treaty with Canada should not be ratified."

Possibility of ratification of the St. Lawrence treaty by the U. S. Senate and subsequently by the Canadian parliament during 1933 makes it of vital importance that Canada consider the adoption of the same principle in respect of her own canals and thus establish sound commercial policy on which to decide the merits of the St. Lawrence Deep Waterway scheme.

This is the third of four articles outlining the historical and factual position of Canada's canals. This study is particularly pertinent at the present time in view of the investigation now under way by Franklin D. Roosevelt to explore the possibilities of a federal tonnage tax on all vessels using inland waterways in the U. S. A.

Canadian Investment Fund Favors Stocks Over Bonds

Trust, Headed by Calvin Bullock and Directed by Prominent Canadians, Places Larger Percentage of Capital in Stocks

From Our Own Correspondent

MONTREAL.—Bonds have become less attractive as an investment medium, greater preference being given to preferred and common stock, judging by the changes made in the investment portfolio of Canadian Investment Funds Ltd. between December 9, 1932 and April 18, 1932.

This investment trust was sponsored and is managed by Calvin Bullock, head of a well-known investment service organization of the same name in the United States, and is managed by a board of directors composing Rt. Hon. Sir Robert Borden, Hon. L. A. Taschereau, Sir Charles Gordon, Hon. Charles A. Dunning, Hon. C. C. Ballantyne, Norman Dawes, Arthur B. Purvis, and Calvin Bullock.

At the time when its shares were offered for public subscription in December last, Canadian Investment Fund published a list of its holdings with the percentage of capital invested in each security in relation to the whole.

Bond Percentage Drops

Holdings of bonds on December 9, 1933, amounted to 22.79 per cent. Preferred stocks aggregated 7.97 per cent and common stocks 69.24 per cent.

On April 18, 1933, the company's holdings were distributed as follows: bonds, 14.75 per cent; preferred stocks, 13.71 per cent and common stocks 71.54 per cent.

Sell Gatineau's

Examination of the bond holdings shows that Gatineau Power Co. 5's of 1956, have been dropped from the list and replaced with Montreal Light, Heat and Power Consold. debentures.

There are no other changes, but the percentage of individual bonds held in relation to the total capital investments, shows a general falling off.

Fewer Government Bonds

Percentage holdings of Dominion of Canada and Ontario and Quebec bonds has been reduced by more than half during the four months period. The percentage of British American debentures held at 0.99 per cent compares with 2.06 per cent last December. Dominion Textile bonds also carry a lower percentage, as does the Canadian Pacific Railway.

No new preferred stocks have been bought over the last four months, but the percentage of holdings has increased in every instance with the exception of American Can 7 per cent cumulative preferred stock, and Goodyear Tire and Rubber Co. of Canada per cent cumulative preferred stock.

Increased percentage holdings is noted for the following preferred stocks: Canadian General Electric, E. I. du Pont de Nemours & Co., General Motors Corp. $5, National Breweries, Ogilvie Flour Mills Co., Safeway Stores Inc., and the Steel Co. of Canada.

Common Stocks Gain

Common stocks held on April 18 show no change from those reported on December 9. The per centage relationship between the value of the individual stocks held and the total capital invested, however, shows numerous changes.

The following common stocks show a larger percentage in relation to the total than they did on December 9 last: American Can Co., Bank of Montreal, Bank of Nova Scotia, the Borden Co., Canadian Bank of Commerce, Canadian Pacific Railway, Corn Products Refining Co., Dominion Bridge Co., E. I. du Pont de Nemours & Co., General Foods Corp., International Nickel Co. of Canada, McIntyre Porcupine Mines Co., Montreal Light, Heat and Power Consold., Ogilvie Flour Mills, Royal Bank of Canada, and Union Carbide and Carbon Co.

Buy Bank Stocks

In examining the changes in this section, it is noted that Canadian Investment Fund in changing the percentage of common stocks held has concentrated, more or less, on Canadian bank stocks, and those companies which would be the first to experience a revival of constructional or general business activity.

While the percentage of capital invested in the common stock of General Motors Corp., National Breweries, Ogilvie Flour Mills and Steel Co. of Canada, has declined, the percentage of holdings in the preferred stocks of these companies has increased.

Insurance for Buyer and Seller

DWELLING FIRES LARGELY "GIFTS" CLAIMS OFFICIAL

Ontario Fire Marshal Gives Startling Figures on Losses

MOSTLY UNIFORM

Dwelling Fires in Big Cities Analyzed — Toronto Arson Squad Praised

Startling evidence of the way in which cigarette burns and small dwelling fires are playing havoc with fire losses and the fire insurance business is contained in the newly published report of the Ontario Fire Marshal for 1932.

Analysis of the fire losses in the three leading cities of Toronto, Ottawa and Hamilton reveals the startling fact that in the past three years more than one-half the total number of fires have been in dwelling houses where the average fire loss has been only $13.05 with a maximum individual loss of $25.

Here is the record for each city.

Small Dwelling Fire Record, 1930-32 (incl.)

	Toronto	Ottawa	Hamilton
No. of fires	13,184	2,235	2,158
Fires under $25:			
Number	6,869	1,022	1,035
Amount	$90,716	$13,274	$12,410
Average loss ...	$13.20	$13.00	$12.00

Looked at another way, the report finds that in Ontario dwelling fires in the past decade have increased in number by 4,756 or 68 per cent while the loss from this type of fire has increased by $1,272,000 or 45 per cent. In the same period total fire losses in the province actually decreased by $2,878,000 while total number of fires increased by almost exactly the number by which dwelling fires increased.

"This," says the report, "can only be regarded as a startling revelation and should call for the most serious consideration of all, whether interested in fire prevention or in fire insurance rates."

Small Losses Are "Gifts"

Another illuminating table is an analysis of small dwelling fires in these three cities, which establishes in the opinion of the fire marshal the fact that fire losses in dwellings in these cities have been determined by "gifts" of even amounts of $25, $20 and $10 respectively. Thus it is disclosed that out of 8,926 small fires in these three cities in the 3-year period, no less than 2,726 were for "even" amounts of either $10, $20 or $25. The Ontario Fire Marshal expresses his conclusion of this analysis in the words of the Fire Commissioner of Quebec province who in his report recently issued says:

"We received 13,336 reports of fires where the loss was less than $25; the total of these losses amounts to $136,405, and represents the losses paid by insurance companies, for incipient damages to rugs, furniture, clothing, etc."

Number of fires in Ontario in the year totalled 15,862 for a total loss of $15,466,000 of which $13,640,000 or 88 per cent was covered by insurance. A year ago only 80 per cent of the total fire loss was covered by insurance—a fact which the Fire Marshal finds "significant." Fatalities were 70 and those injured 257. The corresponding figures for 1931 were 104 and 224.

The most "outstanding, momentous accomplishment of the year" is the phrase used to describe the organization during 1932 of the Toronto arson squad. This was accomplished largely through the influence of the fire insurance companies and their investigation bureau headed by Harry Rethoret. The marshal's comment in part follows:

"When General Draper, chief constable of Toronto, assigned sergeant-detectives Walter McConnell and Lockhart Trinnell to form the arson squad, he rendered an incalculable service to the citizens and particularly to the people who pay insurance premiums in Toronto. It was our pleasure to have these two officers appointed by order-in-council as district deputy fire marshals without salary in May of 1932, to afford them the authority and powers of the Fire Marshal Act. The Underwriters' Loss Investigation Bureau have had three efficient special agents working in conjunction with the arson squad, and it is fitting that we should pay to them our sincere appreciation for their successful work; not only so, but the bureau has borne the necessary transportation expenses. We hope to make early arrangements to relieve them of this expense.

"We have made no effort to chronicle or detail in this report the accomplishments of this force of experienced investigators. All we can say is that we are glad that the extensive powers of the Fire Marshal Act placed at their disposal has contributed to it."

Good Men Scrapped By Depression Rigors

At 57, What Would You Do if You Were to Lose Your Job Today?

By R. M. HAULTAIN

George Brown and Jim Black had played hookey and learned to swim together in the old swimming hole, just below the dam, a good many years ago.

Today they are both fifty-seven years of age; the old log dam has been replaced by a concrete bridge, and the youngsters learn to swim in a concrete tank.

George and Jim were both told a few months ago, with all the kindliness possible under the circumstances, of the decision of the directors to abolish their positions.

George was district sales manager, Jim assistant chief accountant.

Grew Up With Firm

When George and Jim had finished high school they both got their jobs in the firm together. Each gave his best during thirty-nine years. They played a substantial part in the firm's development from the small family business to the great corporation, with its many shareholders.

All his life George was the leader of the gang, boisterous, high-spirited, full of punch. Jim was quieter, perhaps more level-headed, with an aptitude for figuring things out. George started in the shipping department, Jim on the books.

In the early days when George used to make out shipping tags and bills of lading via Grand Trunk or C. P. R. to the merchants in Ottawa, Kingston, London, or out in the new romantic West, there was born in him the desire to know those merchants as men instead of as mere addresses. He wanted to go and tell them himself about the merchandise he was sending them.

Joined the "Smoker" Gang

This ambition was gratified, and for many years George enjoyed the camaraderie of the smoker. He experienced the thrill that comes to the young salesman of getting the leading merchant's order, then chaffing his competitor in his tilted chair on the hotel veranda before going to the livery stable to get the buggy for the mysterious date he had that evening. He also learned to take the chaffing in the next town when the order went to the other fellow.

No buggy ride that night.

Those were happy carefree days. Then marriage, family responsibilities, and finally the appointment as district sales manager, where with his eight thousand a year and bonuses he was able to taste the excitement that his temperament demanded of playing the bull market.

The Good Old Days

The world was good to George in the happy days of the nineteen-twenties. Days of entertaining the firm's customers at the golf club, convivial little shirt sleeve stag parties in hotel rooms, five dollar jack pots, with the deuces wild, "Room service—a dozen soda water for 509."

Those were halcyon days when it was so simple to telephone the broker in the morning to stick a thousand in the bank before noon.

Things Start Slipping

Then the firm began to slip into the black morass of the depression.

The salesmen on the road found the going tougher and tougher. Through nineteen thirty, thirty-one and early thirty-two their spirits sagged together with their orders and their earnings. Many of the orders they did get would be ruthlessly rejected or pared by the credit man. Salary cuts were the order of the day, first ten per cent, then another ten and still another, and George's overhead in the big new house seemed impossible to reduce accordingly.

Finally, the interview in April with the general manager, that stunning, blinding interview, when the G.M. outlined that it was with deep regret the directors had decided that as part of the general reorganization plan the sales territories of East and West were to be merged, the weak sisters among the salesmen weeded out, and the management of the two territories centred in the younger District Sales Manager.

In the old days, the former head of the firm had always said to the men who were close to him that he was going to put in a pension plan for them. But nothing was ever done. True, the G.M. had tried to soften the blow by saying that if he had had his way, some sort of retiring pension would have been voted George in recognition of thirty-nine years of effort, but with the bond interest in danger he had been voted down by the directors on the proposal.

Checking Over His Income

That same evening George went over the stock quotations to see just what income his dividends would yield him. He found that it appeared to be about three hundred and fourteen dollars for this year. He had borrowed on his life insurance to save his equities in those stocks during the relentless decline of recent years.

He wondered what firm in his line wanted a sales manager fifty-seven years old.

He got out the car and drove over to have a talk with Jim.

Jim's Side of the Picture

Jim Black had found his place in the accounting end of the business. He had been assistant chief accountant. His salary had for years been four thousand, and his hobby had been gardening.

His interview with the G.M. had been along the same lines as George's, and today he was out.

"Jim," said George, "I have just been figuring out how I'm fixed. My house is mortgaged. I still own the little old one. Thank God it's clear, but I told my brother to live in it when he lost his job and pay me some rent when he could. His wife is pretty sick.

"I have some of the . . . . Paper Co.'s bonds that used to pay interest. I have what I used to think was a well-selected list of eight stocks that used to be worth fifty thousand dollars. Five of them have passed their dividends temporarily, and the other three have cut theirs.

"My total 1932 dividends were $314 and I always figured they would be $3,000. That's a nice kettle of fish, isn't it! I suppose you are in much the same boat?"

"Well, George," said Jim, "I am sorry to hear that. You and I have often talked about the profit possibilities of one stock as compared with another, but I don't believe we have ever discussed the drab, work horse types of investment. Men don't. They do not capture the imagination.

The Land Boom Lesson

"Back in nineteen twelve and thirteen you remember the Western land boom broke. My old dad got cleaned out in that and he and mother lived with us. My wife was never very enthusiastic about that arrangement, but I couldn't finance anything else. Dad's experience was a lesson to me and I began to study this question of cycles of prosperity and deflation.

"We are now in the eleventh depression cycle in a hundred years, an average of one every nine years. With industry geared up as it is today, and the public appetite for installment buying and speculation, the deflation appears to be getting more drastic each time a depression cycle comes round. Each depression sees a new crop of men in the position in which you and I find ourselves tonight—pushed out prematurely through force of circumstances, realizing suddenly that their holdings will not produce a monthly cheque.

"Two depressions ago, I decided to buy something that has since proved one of the few types of investments that can be counted on for a hundred cents on the dollar in spite of business ups and downs. Those colorless, work-horse things that are not discussed at bridge parties. I mean pension policies.

"I was going over mine just before you came in, and I find that they will pay us a hundred and sixty a month for the rest of our lives. I was figuring on staying with the firm till I was sixty-five, when the next depression cycle would probably be due. My policy would then have been worth two hundred and fifty a month, but that is evidently not to be. However, if I can get some part-time work to make travelling expenses, we should be able to spend our winters in the South."

As George drove home he said to himself: "A hundred and sixty a month for life,—small potatoes three years ago — today, three meals, South for the winter, peace of mind, won't have to live with the youngsters,—a king's ransom!

"Why in sam hill didn't somebody get me to organize that way twenty or thirty years ago?"

Fire Companies Enjoy Decline In Fire Losses

Fire insurance companies in Canada and United States have something to feel pleased about these days if they can forget the worries of high taxes, excessive competition, investment losses, the high cost of doing business and a declining premium income.

Reason is that fire losses on this continent have so far this year been extraordinarily low and "if" the good luck only keeps up another seven months, they may be able to vote 1933 not a bad year after all.

Of course the "if" is so big that no fire manager dare count on it until pretty nearly midnight December 31, 1933. He knows how easily an otherwise good-looking loss ratio may go up the flue in the last few days of the year, so he is perennially cautious—particularly away back in the month of May.

Nevertheless the record so far to-date is encouraging. In the U. S. the official record of the National Board of Fire Underwriters shows losses in the first four months of the year lower by 22 per cent than in the same period of 1932. April figures showed a drop of 36.5 per cent the fire loss in that month being the lowest in the past five years. This excellent record is said to be largely attributable to operation of the 60-day loss payment rule adopted early in March.

In Canada, leading fire company managers report a somewhat similar experience although many point out that benefit is offset somewhat by a lower premium income.

For example, fire losses in Ontario in April amounted to only $732,514 compared with $1,330,389 a year ago while the insurance loss from these fires at $639,533 was only 60 per cent of the loss of April, 1932.

In the first four months of 1933, fire losses in Ontario are $827,000 less than in the same period of 1932, while insurance loss is down $680,000 or 17 per cent of the 1932 figure.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

New York Life

A customer is considering the purchase of an annuity with the New York Life and has requested information regarding the standing of this company in Canada.

We would appreciate a review of its position.

New York Life Assurance Co. is one of the leading institutions of its kind on this continent and has been doing business in Canada under a federal license since 1868.

In accordance with Canadian insurance law the company maintains adequate assets in Canada to meet its liabilities here, and according to latest available information had on deposit with the Receiver-General at Ottawa approximately $24,500,000 of trustee securities held solely for the protection of Canadian policy holders. In addition, approximately $11,000,000 was vested in Canadian trustees under the provision of the insurance act.

Insurance Inklings

L. O. COX, Toronto, was elected chairman of the Canadian Association of Life Agency Officers at the annual meeting held recently in Ottawa.

EZRA NADELL has been appointed Windsor district manager of the Mutual Relief Life Insurance Co., his territory consisting of Essex, Kent and Lambton counties.

FREDERICK W. SNYDER has been appointed manager of the Economical Mutual Fire Insurance Co. to succeed the late William H. Schmalz, managing director. Mr. Snyder has been associated with the company since 1901. W. W. FOOT has been appointed assistant manager and secretary-treasurer to succeed Mr. Snyder.

New York Life Insurance Co. recently held a successful sales congress in Calgary for its Alberta agents. A. S. Elford, inspector of agencies, and Walter Medica, agency organizer, were in charge.

HENRY E. NORTH known to many Canadians as former manager for Canada of the Metropolitan Life, has been appointed a second vice-president of the company. He will continue his former work in charge of field education and sales promotion. He returned to New York in 1931.

Prairies Gain Majority Of Canada's Immigrants

More Than 51 Per Cent of Dominion's 2.3 Million Immigrants Located West of Great Lakes — Proportion in Maritimes and Quebec Small

Immigrant population resident in Canada at the date of the 1931 census numbered 2,307,525, of which more than 51 per cent were located west of the Great Lakes, according to an analysis by The Financial Post of newly-released federal census figures. Of this total, 236,600 were in Manitoba and over 300,000 in each of the other three western provinces. About 3 per cent of immigrants were located in the Maritimes, 10.9 per cent in Quebec and 34.9 per cent in Ontario.

Nearly half the population of British Columbia were born outside of Canada, although over 81 per cent were born under the British flag. This is the largest percentage of persons born outside of the Dominion among the provinces, other percentages being shown in the following table:

Immigrants in Canada in 1931

	Total Immigrants	% of Population	Foreign Born	% of Population
P. E. I. ..	2,787	3.2	1,627	1.8
N. S.	41,797	8.1	14,729	2.9
N. B.	24,401	6.0	11,689	2.9
Que.	251,743	8.8	140,917	4.9
Ont.	804,285	23.4	277,715	8.1
Man.	236,589	33.8	130,438	18.6
Sask.	318,545	34.6	217,544	23.6
Alta.	305,738	41.8	196,973	26.9
B. C.	319,529	46.0	129,805	18.7
	2,307,525	22.2	1,122,695	10.8

Britishers form the bulk of immigrants to Canada, 1,184,830, or slightly more than 50 per cent, being born in either the British Isles or British Possessions. This proportion of British to foreign-born immigrants has hardly been maintained during the past ten years, figures for immigration during the ten-year period from 1921 to 1930 showing only 42.5 per cent of the total immigrants were born within the Empire.

It is interesting to note that the bulk of the British-born immigrants are located in the well-settled provinces of Ontario and British Columbia, Quebec and the newer Prairie Provinces having comparatively small totals compared with total immigrants. In Alberta, only 73 per cent of the population is British or Canadian born.

There were 714,462 immigrants from Europe located in Canada in 1931, of whom 210,564 were Northern European and 503,372 Southern Europeans. United States citizens numbered 345,574 and Asiatics 60,608. Location of immigrants by economic areas is as follows:

Racial Groups of Immigrants in Canada

	British born	No. European	So. European
Mar.	40,940	3,673	5,535
Que.	110,826	18,758	67,579
Ont.	526,570	52,570	142,529
Prairies ..	315,917	102,543	261,940
B. C.	190,577	33,020	25,789
	1,184,830	210,564	503,372

	U. S. A.	Asiatic	Others
Mar.	18,396	1,152	354
Que.	49,406	4,544	668
Ont.	72,525	9,322	995
Prairies ..	169,870	9,795	1,080
B. C.	35,377	35,795	685
	345,574	60,608	3,782

Of the foreign-born population of Canada in 1931 numbering 1,122,695, nearly 55 per cent, or 614,971 were naturalized, 49 per cent of them European, 20 per cent of Asiatics and 72 per cent of United States born persons. Only 7 per cent of Chinese in Canada were naturalized.

AMERICAN AUTO FIRE TO REDUCE CAPITAL

Balance Sheet Changes Suggested for U. S. Firm

Important changes in the capital structure of American Automobile Fire Insurance Co. of St. Louis, subsidiary of American Automobile Insurance Co. are reported in a recent issue of Best's Insurance News. Both these companies are managed in Canada by the Shaw & Begg management group.

The changes are outlined as follows:

"At a meeting of the board of directors of this company held early in May, 1933, it was voted to submit to the stockholders a proposal to reduce the company's authorized and outstanding capital stock from $500,000 to $300,000, by purchasing from its parent company, the American Automobile Insurance Co., and retiring 2,000 shares, $100 par value, at $200 each, or a total cost of $400,000. The excess of $200,000 over the par value of the shares to be acquired will be charged out of the company's surplus account.

"When this transaction has been accomplished, it is proposed that a cash dividend of $500,000 be paid to the American Automobile Insurance Co. out of the earned surplus of the fire company

"The effect of the whole transaction simply reduces by $900,000 the amount at which the American Automobile Insurance Co. carried its subsidiary fire company on its books as of March 31, 1933. The American Automobile Fire Insurance Co. also reduced its unearned premium reserve from $1,202,768 at the close of 1932 to $473,649 on March 31, 1933, by the reinsurance of the parent company of all of the property damage previously written by it.

"Under new arrangements effected January 1 the fire company has since retained only the fire, theft and collision coverages. The financial statement of the American Automobile Fire Insurance Co. as of March 31, 1933, adjusted to give effect to the foregoing transaction, shows capital of $300,000, surplus 463,630 and reserve for unearned premiums $473,649."

Montreal Taximen Attack Financial Responsibility Law

Legality of a City of Montreal by-law, which gives the city the right to refuse taxi-cab licenses to all owners who fail to deposit with the City Treasurer a copy of an insurance policy guaranteeing them against actions for damages, will be tested before the Recorder's Court in the near future. It is claimed that the by-law exceeds municipal rights in regard to the regulation of motor traffic as laid down in the Quebec Motor Vehicles Act.

The by-law which is being attacked was passed by Quebec Legislature in 1931 in order to protect passengers travelling in taxi-cabs. Taxi owners state that the premium for the protection of $1,000 for property damage, $5,000 for personal injury to one person and $10,000 for any one accident, as required under the by-law, are so high as to make continuance in the business prohibitive except for a very small number.

Insurance Superintendents Will Meet in Toronto

Sixteenth annual conference of the Association of Superintendents of Insurance will be held at the Royal York Hotel in Toronto on September 5, 6 and 7, according to an announcement made recently.

It is anticipated that the proposed amendments to the Uniform Life Insurance Acts will be ready for final consideration and that the special committee appointed to review the Uniform Fire Insurance Acts and all proposed amendments, looking for uniform action on any desirable amendments in 1935 or 1936, will present its first report, according to R. Leighton Foster, secretary of the association.

Nova Scotia Takes to Alfalfa

One of the promising newer field crops of Nova Scotia is alfalfa, of which about 250 acres will be cut this year. In 1928, some 25 acres were tried out but without conspicuous success. With the present use of limestone, however, the crop promises well.

TARIFF BOARD TO HEAR CASE WOOL TEXTILE

British Producers Present Claims Before New Tribunal

From Our Own Correspondent

MONTREAL.—British wool textile interests will have the first hearing before the newly constituted Dominion Tariff Board.

A brief has already been prepared and forwarded to the secretary of the board, while the British wool textile interests will be represented by a committee representing both manufacturers and dealers in the Yorkshire area. H. B. Shackleton, of Bradford, is chairman of the British committee, which includes Alfred Crowther, of Huddersfield, and Isaac Smith, of Bradford.

The Canadian case will be presented by a committee of members of the Canadian Woollen Associated, edited by H. Barrett, of Toronto, president of the association and general manager of Dominion Woollens and Worsteds.

Want Schedule Lowered

The British interests seek a reduction in the Canadian duties on United Kingdom woollen goods, claiming that existing tariff schedules of the Dominion in regard to such merchandise do not permit the British manufacturers to compete on a fair basis against domestic manufacturers in the Dominion.

Canadian textile interests, on the other hand, maintain that a reduction in duties will cripple the trade of Canadian mills and disorganize Canadian industry. It favors the enquiry, believing that the ultimate findings will substantiate its claims that an effective duty must prevail if the Canadian industry is to achieve economic stability.

It will be the work of the tariff board to say as to whether or not existing Canadian tariff schedules in regard to items mentioned in trade pacts drawn up at the Imperial Economic Conference for 1932 permit British manufacturers to compete on a fair basis against domestic manufacturers in Canada. Such investigation is the fundamental aim of the Imperial Economic Conference trade agreement.

Silver Fox Trade Grows

Secretary MacDougall, of the Nova Scotia Silver Fox Breeders' Association, reports a very satisfactory winter season, a total of 4,400 pelts having been shipped and $175,000 distributed to members.

OVER 100% INCREASE IN SURPLUS FUNDS

THE COMMERCIAL LIFE

Free Surplus, Plus Reserve for Deferred Dividends on Policies, Over and Above Paid Capital.

December 31, 1931—$ 49,970.22
December 31, 1932—$109,041.65

SPLENDID INCREASES OVER THE PAST TWELVE-YEAR PERIOD

YEAR	ASSETS	TOTAL INCOME	INTEREST INCOME	BUSINESS IN FORCE
1920	$ 109,699	$ 53,444	$ 6,963	$ 723,974
1923	319,425	173,138	14,638	5,117,538
1926	611,909	252,492	28,681	6,790,998
1929	1,274,905	445,660	61,688	10,360,541
1932	1,802,927	447,789	95,252	10,110,380

Paid to Policyholders and Beneficiaries During 1932 — $191,119.

Paid to Living Policyholders during 1932—$135,922
Paid on Mortality Claims—$55,197

Board of Directors

R. H. CAUTLEY, Esq., (President), Edmonton
DR. E. W. ALLIN, (Vice President), Edmonton; L. G. CALDER, Esq., (Vice-President), Montreal; W. T. HENRY, Esq.; W. W. PREVEY, Esq.; H. W. B. DOUGLAS, Esq.; J. W. GLENWRIGHT, Esq.; JOHN GILLESPIE, Esq.; Edmonton; W. FLETCHER BREDIN, Esq., Grande Prairie; F. O. HODGSON, Esq., Vancouver; JOHN A. EAST, Esq., Saskatoon; ROBERT SHANNON, Esq., Saskatoon.

The Commercial Life will appoint full time and part time representatives in every city and district in Manitoba, Saskatchewan, Alberta and British Columbia. Many people add substantially to their incomes by representing The Commercial Life. Apply Agency Department.

The Commercial Life Assurance Company of Canada

HEAD OFFICE — EDMONTON, CANADA

J. W. GLENWRIGHT, Managing Director.
E. B. H. SHAVER, Secretary.

CROWN LIFE Insurance Company

ESTABLISHED 1900

SIR ROBERT L. BORDEN
President

C. W. SOMERS
Vice-President

H. R. STEPHENSON
General Manager

HOME OFFICE: TORONTO, CANADA

PILOT POLICIES PROTECT

PILOT INSURANCE COMPANY

Automobile, Fire, Accident, Burglary, Plate Glass, Liability Insurance, Fidelity and Surety Bonds
International Claim Service on Automobile Policies
Inquiries for Agencies Invited
HEAD OFFICE: 159 BAY ST., TORONTO
Norman G. Duffett, Gen. Mgr.
T. W. McIntosh, Supt. of Agencies

A STRONG CANADIAN COMPANY

Safety in Crossing "No Man's Land"

Life insurance is helping many a man to get safely across the "No Man's Land" between depression and prosperity.

At a time when many trusted resources, traditionally regarded as stable and secure, have proved unequal to the strain of a world depression, life insurance has met fully and promptly every demand made upon it.

The total amount paid by the Sun Life to policyholders and beneficiaries since the Company was organized is more than $700,000,000.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

THE PRUDENTIAL ASSURANCE COMPANY LIMITED OF LONDON ENGLAND
LIFE FIRE CASUALTY

Total Assets of all Branches Exceed - - 1283 Million Dollars
Claims Paid Exceed - - - - - - - - - - - 1960 Million Dollars

HEAD OFFICE FOR CANADA DOMINION SQUARE BUILDING MONTREAL

The Largest Insurance Organization in the British Empire
Established 1848

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Assets — $49,000,000.00

Independent Order of Foresters

FRANK E. HAND, Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia

FIRE AUTOMOBILE WINDSTORM

Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00

Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.

THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA
HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70

BRANCH OFFICES
Toronto
Ottawa
Vancouver
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Montreal
Quebec City
St. John
Halifax

ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

A Special Service For Small Investors

Individual investors may also benefit from the investigations and research of The Financial Post Corporation Service by securing a special service on the specific companies in which they are interested.

At the attractive rate of $1 a month, on a yearly basis, you may secure a special service on any 10 companies you select. Such a service includes the detailed analyses and all news cards and revisions published on those companies throughout the year.

Take advantage of this offer to obtain up-to-the-minute reliable information on the companies in which you invest. Attach your list to the coupon and mail it today.

Only $1.00 a month - $12.00 a year for any 10 Companies
Additional Companies pro rata

The Financial Post Corporation Service
481 University Ave., Toronto

THE FINANCIAL POST CORPORATION SERVICE,
481 University Ave., Toronto, Ont.

Please send me postpaid special yearly service on the attached list of ...... companies at the rate of $12 a year for 10 companies and additional companies pro rata.

I enclose cheque for $.............. covering this service.

Name ....

Address ....

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Morgan & Co. Sales Record Has Lessons for Investors

Of Six Billions in Securities Issued in 14 Years, Only Some Railroad Bonds Have Defaulted in Interest or Principal

The Senate Stock Market Investigating Committee at Washington has afforded J. P. Morgan & Co. a marvellous opportunity to advertise their methods, standing, ideas on investment banking and financing, scope of their business, and the measures of success which over many years have attended their efforts. Sensational headlines have featured such points as the huge losses made in 1931 by Morgan partners, the fact that under U. S. laws they paid no income tax while they did in Great Britain, the preferred lists to whom stocks were sold the names of the various statesmen and others who were their clients. But it has also strengthened the general impression that the firm plays fair with clients.

From the investor's standpoint there is also very great comfort in the fact that issues sold by this firm have stood up so well in a post-war period which included the greatest boon known and the worst depression of this century. If in these 14 years J. P. Morgan & Co. could offer to the public securities of all descriptions totalling billions of dollars and be able to say in 1933 that of this immense total only $125,079,000 of railroad bonds have gone in default, investors will see in this a sure sign that this great house gave the most careful consideration to every type of security offered and this experience in depression times will renew the faith of many that time-tried investment standards are reliable.

More than two billion dollars of this immense total have already been redeemed or repaid or converted into other securities. These securities were distributed with the help of nearly 1,200 large and small retail distributing houses over this Continent.

Took Losses With Clients

Of the railroad issues in default J. P. Morgan & Co. still retain so large a portion on their shelves that the loss is more than the profit made on the original issues. These issues were under keen public scrutiny from the time of issue and every issue was authorized by the Interstate Commerce Commission as being in the interest of the public and a minimum price fixed at which these bonds could be sold. This is the only category of investments where default occurred.

At the end of this article is a table showing the market experience with issues fathered by Morgan & Co. The decline in market value, curiously enough, is least in those issues which are generally regarded as most speculative and it is also surprising that so large a proportion of foreign government, public utility and industrial bonds show market appreciation even over the average offering prices for 14 years back.

The Case of Ventures

The tales of preferred clients of Morgan & Co. have drawn a great deal of interest and rightly so. In the last 14 years in Canada many investors have sought to get in on preferred lists for large investment bankers. During the boom days it was found that the market price often out-stripped the price of subscription before subscriptions had all been taken in. For example, it is market record that when 300,000 shares of Ventures was offered in February, 1929, by A. E. Ames & Co. the stock was selling on the open market at as high as $14.85 a share. Public interest was immense and produced this amazing spectacle, all the more amazing when one recalls that since then the stock has gone to as low as 20 cents a share.

Much has been made at the investigation into the affairs of J. P. Morgan & Co. of the preferred list of people to whom Morgan & Co. distributed Alleghany Corp. common stock at $20 a share while on the stock market outside shares were selling at as high as $37 a share. The Wall St. Journal points out that these sales on the stock market were sold on mystery and hope, and sales were all sales of phantom shares inasmuch as they were all on a when, as and if issued basis. Later the market took the shares to as high as $57 a share and since then they have sold for as low as 32 cents though now above $2 a share. It is not believed that in the cases cited there was manipulation of the market. The public itself did the trick and in times of market enthusiasm can be depended on to furnish many more such examples.

A preferred list to most investment bankers simply means a list of its clients. An investment banker could not take a large issue if he did not first canvass the market quietly and secure a number of customers whose consent to help in buying the issue was necessary to make it a success. From the public point of view there is danger if distinct favors are granted to politicians or statesmen who can be of service to the banker but as a general thing it is simply a transaction between buyer and seller, the buyer being attracted in some instances by a special pre-offering or bargain price.

Bargains That Fail

There have been far too many instances both in the United States and Canada where dishonest use is made of the stock market by investment bankers or syndicates. When few shares are outstanding it is an easy thing to buy and sell so as to create an appearance of great activity and rising prices. With that background it is comparatively easy to sell stock to people with little knowledge of stock market practices. They should know that too easy money has a catch somewhere and that the only solid basis is to buy on investment merit whatever the stock market does under such circumstances. The stock market is a useful criterion only when there is a free market and good distribution of stock.

It is probable that most buyers of Alleghany common stock did not sell to take advantage of the high market prices and those who still hold have heavy paper losses.

ANALYSIS OF J. P. MORGAN & CO. OFFERINGS FOR 14 YEARS

	Bonds of Foreign Govts & Cos.	Railroad Co. Bonds	Public Utility & Holding Co. Bonds	Industrial Bonds & Pfd. Stocks	Municipal Bonds	Railroad Holding Co. Bonds
Aggregate	$2,232,275,700	$1,845,639,300	$1,074,750,000	$587,297,000	$160,000,000	$133,000,000
Since retired	40%	29%	25%	69%	0.625%	9%
Outstanding	$1,348,902,600	$1,308,824,800	$806,480,200	$181,251,200	$159,000,000	$121,032,000
Average offering price to public	94.69%	96.58%	97.08%	99.28%	101.64%	97.25%
Aver. mkt. price, May 11/33	81.07%	63.94%	95.68%	99.07%	82.83%	50.94%
Decline in points	13.75	32.64	1.48	0.21	18.8	46.31
Percentage o/s. selling over offering price	33%	7.2%	86%	68%†	....	....
Percentage in default	none	6.70%	none	none	none	none

†Another 23 per cent of bonds and preferred stocks in this group were within 10 points of public offering price on May 11, 1933.

Enquiries

Winnipeg Electric

I write as a foreign shareholder of the Winnipeg Electric Company.

The steady and rapid decline of a utility company in a great city from a flourishing to a bankrupt condition, the catastrophic state of business duly considered, suggests, among other things, serious over-capitalization, and calls for much explanation.

This company was considered one of the safest investments in Canada, and I became interested through one of the oldest, best known and most conservative firms of financial agents in Canada. That was in 1921.

Some years ago there was rumor of redemption of the preferred shares at, I believe, 110. I considered the question of selling as they stood at a considerably higher price in the market. I had bought at 90.

When the price was beginning to decline information was given that there had been a shortage of water in the Winnipeg River. One naturally imagined this but a temporary and unusual occurrence, which could have no permanent effect.

For some years one has heard that the street railway was not paying, but directors must be responsible for the contract. One questions the legality of a municipal body, to say nothing of the ethics, holding a company supplying a necessity year after year to a contract which has become a losing one owing to changing conditions. I do not know how much loss is due to "bus" competition, but such comes about gradually and directors are supposed to have eyes and responsibilities.

What appears to be the last straw is that Winnipeg Electric has saddled itself with a guarantee on a large number of bonds or debentures in some other company which has come to grief. One wants to know whether such guarantee was sanctioned by the shareholders, and is sustainable. Until disaster arrived I had heard nothing about it. In the case of a Western Canadian company in which the managing director had engaged in unauthorized speculation, he was made to pay, in a measure, by the cancellation of his shares, of which, fortunately, he held a considerable number.

Now the present prices of preferred shares in many of the best Canadian companies suggest general over-capitalization. One has been accustomed to consider preferred shares in United States companies as comparable to ordinary shares in British companies, and the ordinary shares in the former as more or less gambling counters on which expectation of dividends was remote. One hoped for more financial purity in Canada.

Under present conditions of industry and commerce the event shows Winnipeg Electric directors to have miscalculated all along the line. They have not been able to sell the street car system to the city and have entered into uneconomic competition in power projects. There was no lack of enterprise or courage with the aid of the trustful investor, but that very enterprise is now the chief source of trouble. The principal difficulty has been the guarantees made by the Winnipeg Electric Company on bonds and debentures of subsidiary power companies. It had expected at the outset to make a good deal of money out of these companies but had to guarantee their bonds in order to get the necessary money to create the power projects referred to.

Unfortunately, there have been a number of examples on this continent where a municipality has held street railway companies to bad bargains. The bargains were originally fair but the increase in cost of operation and general prices of materials as well as of bus and motor car competition had eventually made them uneconomic for the company. Taxes have also been growing. The results in most cases have been bad from the point of view of investors and of cities served.

Maple Leaf Milling

At the time of issue we bought $2,000 of Maple Leaf Milling Co. bonds due on June 1, 1949. For the last twelve months we have been watching in your weekly issues the steady decline in price of these bonds. Also we have noted the market fluctuations of the preferred stock of this company. During the last week the price of the preferred stock has doubled while we notice from the last issue of your paper that the bonds have declined further to below $30 asked. The next coupon on the bonds are due on June 1. Is the company going to default on the bonds? Also we would like your opinion on the upward action of the preferred stock against the decline in the price of the bonds.

In the year ended July 31, 1932, Maple Leaf Milling Co. earned 88 per cent of its bond interest before depreciation and 34 per cent after depreciation, including premium on United States funds. Since the year ended March 31, 1929, the company has never earned anything on its seven per cent preferred stock except in the year ended July 31, 1931, when it earned $4.90 a share.

Through the unauthorized speculations of its officers in the year ended July 31, 1930 the company lost a tremendous lot of money and there has been some recovery since then.

The better price for the preferred stock is because the upturn in commodity prices gave more confidence to the general public in stocks of food companies generally. There has been a little better business for milling companies.

The reason that the bonds might go down while the preferred stock would go up, might be outlined as follows: purchasers of bonds generally are investment minded and there would have to be a great deal more improvement than is shown so far before there would be many to buy. Those who buy preferred stocks on which no earnings have been shown for some time, however, are inclined to be speculative and are taking somewhat longer chances.

The company is paying the interest due on June 1 in Canadian instead of United States currency which is one reason why the bonds are lower. That shows earnings have not improved and it makes the present situation uncertain for both classes of securities.

Massey-Harris Bonds

Please advise what information you have available regarding Massey-Harris bonds due about 1947 or 1948. Is interest still being paid and what is present market value?

Interest is still being paid on the Massey Harris five per cent sinking fund gold debenture bonds due 1947 with $8,700,000 outstanding and on the five per cent first mortgage bonds due 1940 of the J. I. Case Plow Works Inc., of Racine, Wisconsin, which are guaranteed by Massey Harris Company and are outstanding to the extent of $552,800.

The 1947 bonds are listed on the New York Curb Market but there have been no quotations since 1928. Recent quotations by unlisted security dealers are about 61 bid and 64 asked. There have been no net profits available for bond interest since 1929 after interest was paid on borrowings and depreciation though 67 cents on each dollar of interest paid was earned before depreciation in the year ending November 30, 1930.

Recovery of farm purchasing power is necessary before the company can earn this interest. It is living at present mainly on collection of old accounts and to a certain extent on the sale of inventory. New production is limited to essentials.

Montreal Power

Kindly let me have an opinion on the position of Montreal Light, Heat and Power. I am considering the purchase of a few shares of the company's common stock.

Montreal Light, Heat and Power Consolidated in its position as the principal public utility operating on the Island of Montreal, occupies a strong operating and financial position. While the services rendered by the company have been limited by the present depression, and earnings affected accordingly, income to date has been sufficient to take care of all senior obligations as well as cover the dividend on the capital stock.

Normalcy

The one who speculates today on the stocks knows that they are quoted very low. On the other hand he knows that in 1929 they were quoted too high.

I would like to know in what year the stocks were normally quoted, how I can secure a list of the normal quotations, at what price and if the latter could be used as standard as to speculate.

Because it is applicable we tell here the story of the Pullman porter who was asked on a transcontinental trip what his normal tip was. "Well, boss," he said, "I normally gets $5." He got $5 from the enquirer and then the porter said, "This is the first time I have been paid the normal tip."

Some say that stock market prices are always normal in relation to the conditions of the time and the loudest shouts that times and prices are normal go up when prices are highest.

On the front page of The Financial Post every week is a chart showing fluctuations of industrial stocks for 17 months back. Beneath it there is a market record for 20 industrial stocks, 10 public utilities and eight bank stocks. The stocks selected in each case are leaders in order that the chart and the tables beneath it will give a general indication of what is happening in the market.

The Financial Post publishes from time to time charts showing the longer term movements of stocks. One was published a few weeks ago. It reviews annual reports and important news bearing on stocks as well. If you desire to study the situation over some years back you might write to the Dominion Bureau of Statistics at Ottawa and ask them to send you their weekly three page bulletin on investors and traders index numbers of security prices. They use the prices of 1926 as a basis for measuring later developments and the situation is shown both for investors and speculators.

The study of such charts and tables, of course, may be considered an aid to the investor or speculator as to when to buy and sell but the question of what to buy and sell must depend on intensive study of individual stocks and business and market conditions surrounding them. For this purpose an intensive study week by week of The Financial Post will be your best guide in Canada.

$10,000 to Invest

Will you please give me information on Photo Engraving, common; Walker, preferred and Ford A stock? I have $10,000 to invest and if you can recommend other good preferred stocks I wish you would tell me.

The annual report of Photo Engraving shows, on the whole, an encouraging picture. One drawback is the low working capital position and the uncertainty now facing the mail order business in Canada until purchasing power of farmers revives. This affects Photo Engraving because its largest and most profitable business is in connection with the mail order business of Simpson's. The company has good management and a favorable contract with the R. Simpson Co.

The preferred stock of the Hiram Walker Company holds considerable interest at present for two reasons: first, that the directors have until recently been using a strong cash position to buy in the open market Walker's preferred; second, that this stock will naturally have a key position if a merger results from the present negotiations. Present distillery business in Canada is very competitive and chief hopes lie with United States importing again if the 18th amendment is repealed.

Ford A stock should be bought by people who believe that the Ford Company by reason of its great financial strength, its affiliations with other Ford companies throughout the world and the fine engineering talent at its disposal, will be able at some time in the future to come back in a way which will enable it to repeat the splendid record which it had until 1927.

The company successfully changed over from the old car to the new but the depression came too soon for the company's full possibilities with the new cars to be shown. There is also in its new field more powerful competition than it ever had in its history before. However, sales so far in 1933 have exceeded those in the same period in 1932, and the company is beginning an extensive advertising campaign and sales campaign which should have results. It is probable that there will have to be a return of prosperous business before sales are such that it becomes of real interest to shareholders. Last year there was a considerable loss and dividends have been dropped.

International Utilities

Will you tell us the present situation of International Utilities and its future prospects? What stock is outstanding and what are its assets?

International Utilities Corp, was incorporated in Maryland on October 8, 1924, and its head office is at 120 Broadway, New York City. It has outstanding 26,862 shares of no par value $7 initial series prior preferred stock, 104,695.91 no par value shares of $3.50 series of 1931 prior preferred stock 94,708.84 no par value shares of $1.75 series of 1931 preferred stock, 124,062 no par value class A shares and 1,229,853 shares of class B stock of $1 par value. In addition, there were at the end of 1932 outstanding options entitling holders to purchase 18,783 shares of $3.50 prior preferred stock, 10,000 shares of $1.75 preferred stock and warrants and options entitling holders to purchase 750,194.2 shares class B stock.

The company has the following subsidiaries.

Utilities Shareholding Corporation, which holds all the stocks of Canadian utilities owned;

International Public Utilities Corporation, formed early in 1931 to purchase and hold public utility securities and which has control of many.

Edgecott Public Utilities Corp. formed in 1932 to hold securities of certain subsidiary public utility operating companies which are subject to the plan of readjustment of General Waterworks and Electrical Corporation;

American Equities Company, formed in 1929 in Delaware, as a holding company with the major part of its investment in public utility enterprises;

Cedar Holding Company; and Dulwich Corporation.

The company sold control of Dominion Gas and Electric to American Commonwealth Corp. but appears likely to regain that control under a new plan of reorganization since the latter company is in receivership and International Utilities holds the major part of the outstanding bonds and of the three per cent notes.

The company showed assets of $16,381,258 at the end of 1932 as compared with $21,489,274 at the end of 1931. Its current assets amounted to $3,476,319 and the current liabilities to $712,871, leaving working capital of $2,763,448. Current assets were 4.88 times current liabilities. Of the current assets the company held cash of $384,921, loans receivable at $1,318,273, notes and accounts receivable of $68,244, dividends and interest received of $195,564 and marketable securities of $1,509,317 at market value.

Total income in 1932 amounted to $1,189,120 as compared with $1,710,568 in 1931. Net incomes combined exclusive of net losses on sale of investments, amounting to $3,821,350 in 1932 and $5,439,122 in 1931 amounted to $720,941 in 1932 and $1,004,814 in 1931. Altogether there was $701,593 applicable to dividends as compared with a net loss of $4,000,000 in the preceding year, after a reserve exceeding $4,000,000 had been deducted for depreciation of investments.

The company is now engaged in seeking public utility bargains and naturally is getting control over a number of companies in not too good circumstances. By clearing off financial embarrassments and making economies it hopes to repeat its pre-1929 successes, but that will necessitate higher stock market prices and generally reviving business. It has a good chance.

International Proprietaries

Do you think there is any chance of a dividend again on United Fuel pref., 6 per cent, and Simpsons Ltd., 6½ per cent?

Please let me know if it would be advisable to sell these stocks now for what I can get?

Why are Int. Proprietaries, Series "A" shares so low? (Eno's.) Would it be safe to buy these at the present time?

Renewal of dividends by United Fuel preferred will depend upon an improvement in industrial and business activity with a resultant increase in demand for its products.

Repayment of dividends on the preferred stock of Simpsons Ltd., will also have to wait for a revival of business. The company has had losses on inventory during the last few years with prices dropping continuously and naturally could expect to get reviving business if prices show the optimistic trend. In a period of normal general business the company's position is expected to improve.

International Proprietaries series A shares are not listed and sales through unlisted security dealers are low, mainly because of the death of Harold F. Ritchie. His widow is continuing the business and interests close to the company appear to be confident that future prospects are good. Purchase at present low prices is an expression of faith by the investor that in future business the company will be able to continue the good record it has shown to date. Doing business all over the world makes an especially heavy call at present for exchange fluctuations.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Paymaster Con. Mines

I would appreciate your opinion on the enclosed circular soliciting shareholders for additional funds. I realize, of course, that this is not an investment, but the point is, is it a promising speculation, and are the people behind it bonafide and trustworthy? You will notice they make a great point of their proximity to the well-known dividend-paying Dome Mines.

Paymaster Consolidated Mines has an interesting geographical and geological location adjoining Dome Mines, but whether any real significance can be attached to his is a question yet to be proven. For the past twenty years efforts to make a profitable mine out of the property have been without avail, and while we believe the present management is optimistic but reliable and is making a sincere effort to give the property another chance we cannot see wherein there is any outstanding change that warrants this optimism unless gold is revalued and the low grade deposits of the company's property take on a new aspect.

While some success has been met with in financing by paying off the old debts, the company officials have a long way to go to raise funds to give the property a conclusive try-out.

Success in the effort to give the property another chance is determined by the officials' ability to raise further funds.

Walpole Gas Synd.

Will you please give me what information you can regarding Walpole Natural Gas Synd., of Toronto?

Walpole Natural Gas Synd. is just one of the hundreds of syndicates that have been formed to exploit natural gas leases in Southwestern Ontario. Few companies formed for the avowed purpose of prospecting and drilling gas wells have worked out to the advantage of the investor, and we cannot foresee any unusual opportunities for investors in Walpole.

International Radium

I should be most gratful if you would send me information concerning International Radium and Resources, Ltd., and the possibilities as an investment?

International Radium and Resources Ltd., was originally promoted by J. M. Aitken to take over the property of the Ontario Radium Corporation. Last year associates of Harry Oakes become financially interested in the company. Since then engineers have been working on a metallurgical problem for the concentrating of the ore. The original sponsors caused a concentrator to be built without much consideration being given to the problems faced and as a result after a preliminary test it was closed down and has not yet been placed in production.

The possibilities for investors first will be determined by whether or not commercial ore exists, after which comes the problem of concentrating and refining, to be followed by a marketing problem in face of a strongly entrenched radium trust.

Abana-Normetal

In 1931 I exchanged my Abana shares for Normetal Mining Corp. shares and since that time I have not received any information regarding the company. Are the shares listed on any exchange? If you have any information I shall be very pleased if you will let me know what I could do if it became necessary to sell.

Normetal Mining Corp. is controlled by Mining Corp. of Canada. The property is inactive, but has a mill partially completed but there is nothing to indicate that work will be resumed until zinc and copper prices show substantially higher levels. The shares are not listed on any exchange in Canada and, therefore, you must find a buyer by private negotiation if you choose to sell.

Interest in the property and the value of the shares will no doubt be influenced by the trend of metal prices warranting production being started.

Stadacona-Rouyn

Will you kindly give me some information regarding the Stadacona-Rouyn Mines? Is it merely a spot on the map or is any development work being carried on?

Stadacona-Rouyn Mines has several groups of properties, but principal interest centres about its holdings in the Pelletier Lake area, Rouyn township, Quebec, presently inactive. Considerable encouragement has been met with in developing this property, but financing has always been a problem. The company has passed through one reorganization and its effort to obtain funds in England to finance other work did not prove satisfactory. On the ability of the officials to obtain funds rests the possibility that a conclusive development programme will be undertaken.

Alschbach Gold

I have been thinking of buying some shares in the Alschbach Gold Mining Co. Will you give me your opinion on this mine? Where is it situated? Who manages it? What price are the shares? I do not see them listed.

Alschbach Gold Mining Co. was incorporated in 1922 and is headed by Clarence Alschbach, president, of New Liskeard, Ontario. The company's property, about 8 miles west of Kirkland Lake, Ont., has been inactive since 1929 owing to the lack of funds. A certain amount of encouragement was met with in the early development, but only a well financed programme will conclusively determine its potentialities. The shares are not listed and, therefore, the price of same is governed by what the officials ask or what you can buy them for by private negotiation.

Monthly Investment Guide

OUR June booklet "Investments" giving the price, yield and maturity of a selected list of Dominion Government, Provincial and Municipal Bonds, is now available.

We will gladly mail this investment guide monthly on request.

DOMINION SECURITIES CORPORATION LIMITED

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto

A LEGAL DEPOSITORY for TRUST FUNDS

CENTRAL CANADA LOAN AND SAVINGS COMPANY

KING AND VICTORIA STS., TORONTO
23 SIMCOE ST. N., OSHAWA

ESTABLISHED 1884

AN ALL-CANADIAN INSTITUTION

1866 1933

"... of His Majesty's Dominions in British North America!"

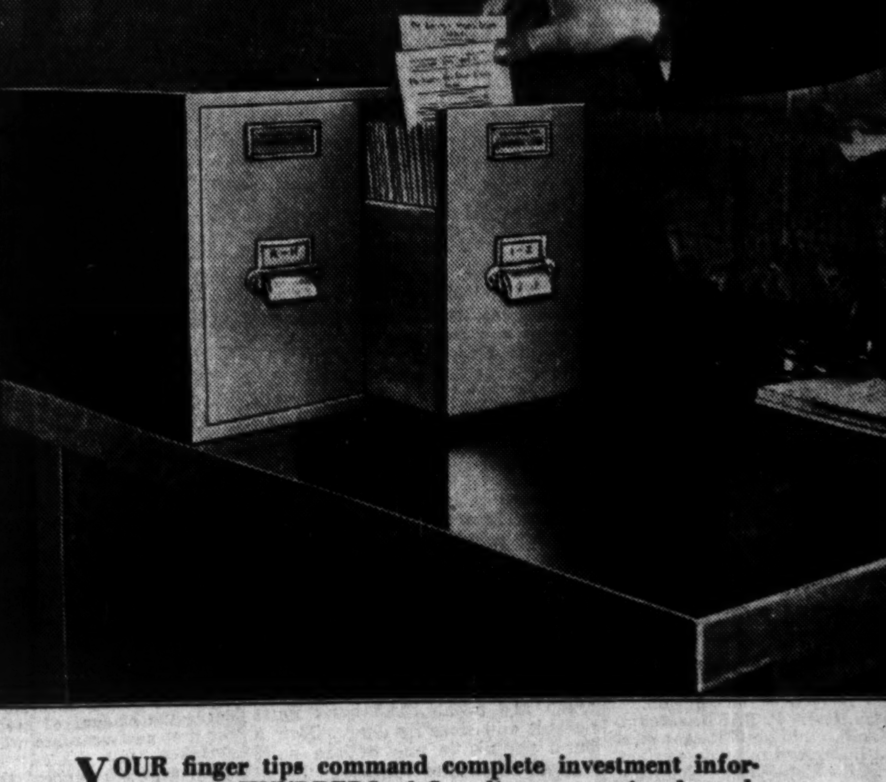
THAT was familiar language in 1866, when the British American Bank Note Company Limited was founded. The term British America applied definitely to those original colonies which united to form the Dominion of Canada.

Thus at its inception this Company took its name from the country in which it was to operate. To-day it is the oldest Canadian Company engraving bank notes and monetary documents. Sound Canadian traditions are associated with the name.

British American Bank Note Company Limited

1112 Bank of Hamilton Bldg. TORONTO | HEAD OFFICE OTTAWA | 511 Place d'Armes MONTREAL

At Your Finger Tips...



YOUR finger tips command complete investment information on HUNDREDS of Canadian companies through THE FINANCIAL POST CORPORATION SERVICE. News cards issued daily keep you up to date at all times.

Security dealers, individual investors, banks and trust companies find this service a genuine economy of time and money as only two cards give the whole story of each company. Send for details.

The Financial Post Corporation Service

143 University Ave., Toronto, Ontario

Use This Coupon

THE FINANCIAL POST CORPORATION SERVICE,
143 University Ave., Toronto, Ontario.
Please send me complete information on your service and free sample card on
....
Name .... Address ....
138

Bank Chat on Current Topics

Banking Secrets Bared

J. PIERPONT MORGAN, head of the House of Morgan, sat before the United States Senate Committee on Banking and Currency last week and bared facts and figures never before made public. Banker Morgan's replies to senatorial inquisitors made newspaper headlines throughout the continent. The first day of the enquiry brought out a carefully worded statement defining and defending private banking. "I state without hesitation that I consider the private banker a national asset and not a national danger."

With assets of $424,708,096 at December 31, 1932, J. P. Morgan & Co. ranks as the eleventh largest bank in New York. Capital, surplus and undivided profits totalled $53,194,077. Assets totalled $703,909,406 on January 2, 1931; capital and surplus were $118,604,184 on December 31, 1929. The degree of liquidity shown was the outstanding feature of the figures shown which do not comprise a complete financial statement. Investment in stocks at $13,875,028 was far below Wall Street's expectations.

Deposits totalled $340,047,702 although the company does not advertise as bankers. Most of the deposits are those of corporations sponsored directly or indirectly by the House of Morgan. Individuals cannot walk into the Morgan banking premises and deposit their funds; they must be introduced properly. Neither can they borrow without introduction and this is not so uncommon in banking practice. No interest is paid on deposits of under $7,500. No deposits are taken of under $500.

The head of America's most famous banking house referred to his "clarks," apologized for "starting up such a hare," gave other evidence of his eight years spent in England. He saw little reason for government inspection of private bankers in the United States in view of the failure of such inspection to prevent liquidation of hundreds of banks. Private bankers have had a comparatively good record.

The whole mass of evidence brought out at the investigation up to the time this was written tends to show a close adherence to sound banking principles. Even if the secrets of J. P. Morgan & Co. are not divulged oftener than every 20 years there seems to be little for the public to worry about as long as these principles are maintained.

* * *

Historic Home

THE Arnprior correspondent of the Ottawa Citizen delved deep into the history of the Ottawa Valley with the announcement last week that R. M. Gemmel, Ottawa manager of the Bank of Nova Scotia, had purchased the estate of the late H. F. McLachlin — a magnificent Arnprior property known as "The Hill" and overlooking the Ottawa River as it expands to Chats Lake. Mr. Gemmel was a former resident of Arnprior, during his ten years of office as manager of the local branch of the Bank of Nova Scotia.

This historic home had belonged to the McLachlins since 1852, and previous to that was the site of "Kennel Lodge," the home of Chief McNab, sometimes styled the "Laird of McNab," who over a century ago had placed at his disposal 81,000 acres of unnamed territory alongside Fitzroy Township, provided he would settle the new township with new settlers. The first 84 settlers arrived in April, 1825, at Montreal, made their way up the Ottawa River and were gathered at Kennel Lodge to receive their instructions and locate. Haughty and imperious, McNab set up a sort of feudal system but after 18 years of misrule he left the township which bears his name and subsequently died in France, a ruined man.

The whole history of Arnprior is tied up with the McLachlin family, the first of whom, Daniel McLachlin, arrived in 1852 and purchased the dilapidated lumber business established some years previously at the behest of Chief McNab. It was he who erected the fine stone house on the site of "Kennel Lodge" which has now been purchased by Mr. Gemmel.

* * *

Staff Changes

The Bank of Nova Scotia announces the following staff appointments:

R. M. DUFF has been appointed manager at Danforth and Pape Ave. branch, Toronto.

H. C. MORRIS has been appointed manager at Markham.

L. A. HANNAH has been appointed accountant at Victoria, B.C.

H. A. McINNES has been appointed accountant at College and Bathurst St. branch, Toronto.

The Canadian Bank of Commerce announces staff changes at the following branches:

Abbotsford, B.C.—B. E. PORRITT, at present in charge, to be manager.

Calgary, Alta. — A. C. TURNER, assistant manager at Winnipeg, Man., to be manager, in place of A. MAYBEE, who is retiring on pension.

Hamilton, Ont.—P. BARR, accountant at Hamilton, to be assistant manager. M. G. England to be accountant.

King and Wellington, Hamilton, Ont. — W. LENNIE, assistant manager, to be manager in place of C. F. A. Gregory, who is retiring on pension on account of ill health.

Queen and York, Hamilton, Ont.—F. M. HAINES, manager at Sarnia, Ont., to be manager, in place of H. P. WANZER, who has been granted leave of absence prior to his retirement on pension.

Lethbridge, Alta.—F. L. RHODES, manager at Nanton, Alta., to be manager.

Milestone, Sask.—E. G. OGILVIE, formerly manager at Yellowgrass, Sask., to be manager.

Nanton, Alta.—T. C. FLOYD, manager at Milestone, Sask., to be manager.

Plattsville, Ont.—V. R. McCALLUM to be manager in place of G. E. STERLING, who has been granted leave of absence prior to his retirement on pension.

Saskatoon, Sask. — C. H. NILES, manager at Lethbridge, Alta., to be manager in place of W. J. SAVAGE, who has been granted sick leave for an indefinite period.

St. John's, Nfld.—W. W. RIDEOUT to be accountant.

Windsor, Ont.—W. D. DICKINSON to be accountant.

Winnipeg, Man. — H. E. GEDDES, assistant inspector, Winnipeg, to be assistant manager.

Current Events in Banking World

Bank Executive Defends Canadian Banking System

Banker Acts in Capacity of Trustee — Must Hold Confidence and Respect of Clients — Return on Shares Thought Justified

Last week The Financial Post published a banker's viewpoint on the central bank problem as presented by F. C. Biggar, secretary of the Canadian Bank of Commerce before the Canadian Political Science Association annual meeting at Ottawa.

This week we publish in full Mr. Biggar's most thoughtful defence of the Canadian banking system given before the same body, in the belief that it will be of considerable value and interest to our readers.

During the last four years many criticisms of and bitter attacks have been made upon the Canadian banker and upon the motives which regulate his policy. The majority of these attacks completely ignore or dismiss as ridiculous the rules which the banker knows to be fundamental to bank operations. Under these circumstances a prejudice against the banks is being created which I believe is unjustified. I propose to examine in detail the rules in question, to test whether the banker is right in being guided by them and to attempt to clear his reputation.

From the opening of his business career the banker learns both from a study of history and his day-to-day experience three fundamental rules which govern his calling. They are as follows:

Banker Has Three Main Rules

The banker, in accepting money on deposit, becomes a trustee for the owner and his paramount duty is to safeguard these funds and deal with them in such a manner that they will always be available to the owner on demand. Unless the banker enjoys the complete confidence of his depositors that he will be an honest and careful trustee, he cannot command the resources necessary to carry out his second duty, nor in fact can he continue in business.

The second duty of the banker is to supply the credit requirements of his community and thus facilitate its industrial, mercantile and agricultural operations. He has every inducement to satisfy these requirements, because it is from this source that by far the major part of a bank's income must be derived. I would re-emphasize, however, that the supplying of credit must necessarily be completely subordinate to the banker's prior obligations as his depositors' trustee.

Thirdly, the banker if he hopes to acquire and hold the business upon which the prosperity of his branch and bank depends, must gain the respect of those among whom he lives. This he can hope to do only by fair and honest dealing and by a genuine effort to give a real service.

Confidence Is Essential

Take the rule as to trusteeship. Loss of confidence in the ability or integrity of the banker leads to the withdrawal of depositors' funds and, as I have said, deprives the banker of the resources he can lend to the community. This fact is frequently challenged by those who think a banker creates the money he lends and, though I do not propose to discuss the contentious question of money creation, it is not hard to demonstrate how close is the relationship between bank deposits and loans and how vital depositors' confidence is to the bank's very existence.

Let us assume that a single bank is open in this country, that it has a capital of $50,000 paid in by its shareholders in Dominion notes and that it receives—also in Dominion notes—a further $50,000 in deposits. The bank then lends to borrowers, say, $100,000, placing that amount to their credit and thus increasing its deposits to $150,000. The borrowers, we shall suppose, proceed to distribute by cheque their entire balances in payment of goods and services.

Let us assume further that the recipients of the borrowers' cheques have no confidence in the bank and are prepared neither to open accounts and deposit the cheques they have received, nor to accept the bank's notes in exchange therefor, but demand, as is their right, payment of the cheques in legal tender. To satisfy these creditors the bank must pay out all the Dominion notes which it holds. Its statement then shows on one side loans of $100,000 and on the other two entries—deposits of $50,000 still left there in its care by those who originally brought in Dominion notes and its capital of $50,000. In the face of that statement can it be claimed with any show of reason that the bank has not put out its depositors' money on loan and as well the full sum of its own capital?

To prove my point I have placed the unfortunate institution in a position where if any depositor wants to withdraw his funds in legal tender before the bank's loans are repaid, the bank must default and close its doors. Now a bank failure is one of the most serious calamities which can befall a community. Some people think that in such a failure the depositors and shareholders alone suffer. This is far from the case.

Depositors it is true are deprived of the use of their liquid funds and shareholders are threatened with the loss of their investment and the enforcement of the obligation of their double liability, but the consequences spread to others. Because of the pressing necessity to meet depositors' claims the liquidator of the failed bank must collect outstanding loans as quickly as he can. Naturally the easiest loans to recover are those to the more efficient and prosperous borrowers. The borrower whose business depends on the credit he has obtained if forced to repay his loan must restrict or stop his operations. He may have to sell off his inventory or liquidate other assets at ruinously low prices in a market demoralized by the failure of the bank. The men he employs are thrown out of work and thus the whole community is involved in loss and hardship.

Bank Failures Cripple Industry

An American economist, prior to the bank holiday in that country (which some 4,000 banks failed to survive), estimated that bank failures in the United States had already forced the liquidation of at least $2,000,000,000 of bank loans. He stated that beyond a doubt this liquidation (which was in no way due to the financial position of those who owed this money) had seriously crippled and reduced the business activities of many solvent American merchants, manufacturers and farmers, and in a large number of cases has actually driven them into undeserved bankruptcy.

The fact that the bankers in Canada have won, and justly hold, the confidence of their depositors has, I think, been convincingly shown by the events of the past three months. To have escaped in this country the sufferings resulting from bank failures is something for which we may well be thankful.

Must Preserve Security

What I have said to you about the first rule indicates some of the difficulties which the banker faces in carrying out his secondary duty; that of supplying credit to the community. He must, as a trustee, lend the funds he controls, as far as this is humanly possible, only where repayment is reasonably assured, either by tangible liquid security lodged with the bank or by the fact that the borrower has an adequate margin of liquid or semi-liquid assets over and above his liabilities. Only by meticulous enquiry into his customer's position can the banker judge the safety of the loan which he is asked to make.

In valuing his customer's assets and in trying to estimate the outcome of his proposed venture, the banker must make adequate allowance for the natural optimism common to us all when we consider our own possessions and prospects. Indeed, it is because it is difficult for the customer to appreciate that his spectacles are rose-colored, while the banker's are plain, that bankers are reputed to be hard-hearted.

When a loan has been made by a bank and the margin of the borrower's assets shows signs of melting away, yet he asks for an extension of time, the banker's problem is this—is the shrinkage in margin due to factors within or beyond the borrower's control, and if the former, can they be corrected? Should the shrinkage be due to uncontrollable factors, such as adverse economic conditions, do these conditions seem likely to be of short or of long duration? Are the other obligations of the borrower, apart from his bank loans, so heavy that should the turn to prosperity be long deferred he will sink under their weight?

Good Customer a Valuable Asset

Now a good customer, though in straitened circumstances, is far too valuable an asset to be heartlessly deserted by the bank if it is possible, even at a considerable risk of loss, to carry him successfully through a crisis. That this risk is taken very frequently through too sympathetic a view of a borrower's distress, or too optimistic an estimate of the prospects of his financial recovery, is clearly reflected in the long list of loans which a banker writes off each year as hopelessly uncollectable.

Bankers unquestionably make some errors in wrestling with these difficult decisions. To launch a general charge, however, that they deliberately and without the driving force of necessity restrict new credit or demand payment of exisiting loans; that thus by their own action they reduce revenue they would otherwise receive; that in consequence of following this policy they bring about a depression in their community which must unfailingly result in a substantial increase in the amount of their losses, is to attribute to them a degree of folly of which even bankers are incapable.

Borrowers are quite naturally biased in their own favor. When the banker requires payment of a loan, because the debtor's margin of assets has vanished, the latter often feels unjustly treated. Believing the banker himself owns all the money he handles and is, therefore, immensely wealthy the borrower thinks it is through mere greed that the banker refuses the risk of carrying the loan, however remote the chance that some unpredictable and unlikely turn of fortune may enable the borrower to recover some part at least of the loss he has already suffered.

Most Liquidation Voluntary

Contrary to the popular belief, however, most of the liquidation of bank loans since 1929 has been voluntary and not forced by the bankers. Business men who, because of falling prices, see their assets melting are naturally inclined to sell their merchandise down to the barest minimum, pay off their obligations to escape interest charges and so reduce their losses as much as possible. Until times improve they will restrict their commitments to necessities while the fact that prices have fallen also reduces the amount of credit required for any new ventures which are undertaken.

Some people suggest that in order to place funds in the hands of those who need loans, but because of their financial position are denied them by the chartered banks, the state should take over and operate the banks as one of its functions. Practical common sense must convince anyone that a policy of granting loans on any basis except that of the borrower's capacity to repay could result only in disastrous losses. It would be mere self-deception to describe such operations as banking, whether they are carried on by the state or by others. If undertaken by the state because it is felt that the situation demands this form of aid, let us at least describe the advances as relief loans, or some such title which will differentiate them from true banking credits.

Defense is never as exhilarating as attack but I should like to refer to a few other charges against the banker which are quite frequently repeated.

Dividend Rate Not Exorbitant

There is as well the perennial accusation that the high rate of bank dividends proves that the profits of the bankers are exorbitant and are secured by the exploitation of their customers. Year after year we explain that the rate at which bank dividends are declared is not the rate of yield on our shareholders' actual investment. We point out that that investment includes the reserve funds and the undivided profits of the banks as well as the amount of their capital.

As a rule new issues of bank stock are sold at a premium and this premium is invariably added to the reserve fund. Over 70 per cent of the aggregate of the reserve funds has been derived from these premiums. The remainder of the reserve fund, it is true, is represented by profits earned and not distributed. Every soundly managed business, however, whether state or privately owned, accumulates reserves of this kind as a protection against adverse contingencies. Condemnation of the banks for following so well established and prudent a practice does not, therefore, seem warranted.

The percentage return on bank shareholders' investment reached a peak of 5.90 per cent in 1929, not by any means an excessive return when compared with that from an investment in the highest class of Canadian Government securities or the profits of commercial companies, while the double liability of bank shareholders is a risk which investors in other securities escape. Since 1929 the return has fallen steadily. In 1932 it was 5.28 per cent and earnings are still shrinking. I would also stress the fact that there is not one drop of water in Canadian bank stocks.

Another charge is that the banks initiated or encouraged in the boom years a number of over-capitalized mergers and foisted their securities on an unsuspecting public. I believe there is no evidence to support such a statement. No Canadian banks, so far as I am aware, sponsored a single industrial issue during the past ten years, and it is contrary to their policy and practice to recommend to their clients the purchase of any of these securities. The standing instructions of my own bank are specific on this point and a breach of the rule would be dealt with severely.

I have tried to place before you the Canadian banker's view of what he does and why, and to convince you that some of the popular suspicions reflecting upon him are undeserved.

If his view is more clearly understood by economists and legislators of this country, I believe the chances are better that these groups may reach a comparative unity of aim. A joint and closely co-ordinated effort to find a way through the maze of difficulties in which we are now struggling will greatly improve the prospects of achieving success.

FIVE BANKS CUT DIVIDEND RATE IN CURRENT YEAR

Dominion, Toronto and Banque Canadienne Make No Change

Reduction in the dividend rate of the Bank of Nova Scotia to an annual basis of 12 per cent and maintenance of the dividend rate paid by the Dominion Bank of 10 per cent has been announced within the past week and indicates that for once, chartered banks are not acting in concert.

Previously the Royal Bank, the Canadian Bank of Commerce and the Bank of Montreal had reduced their dividend rate from 10 per cent to 8 per cent per year, while the Bank of Toronto continues to pay at the rate of 10 per cent. The Provincial Bank has reduced its rate to $6 per year from $7, while the Banque Canadienne Nationale continues to pay at the rate of 10 per cent.

Reduced earnings resulting from decreased demand for commercial loans and the lowering of interest rates on agricultural, government and municipal loans effected May 1 have influenced action by the banks in reducing dividend rates which had already been subject to reduction in 1932 with the sole exception of the dividend paid by the Banque Canadienne Nationale. Assets of the banks have been invested in government and municipal securities, which offer good liquidity with the sacrifice of income.

Dividend Reductions General

The rate of dividends paid by the various chartered banks at the present time in comparison with the rate paid in 1931, before reductions went into effect, are as follows:

Dividend Rates Paid By Canadian Banks

	Present Rate	1931 Rate
Banque Canadienne Nationale	10%	10%
Bank of Montreal	8%	12%
Bank of Nova Scotia	12%	16%
Bank of Toronto	10%	12%
Canadian Bank of Commerce	8%	12%
Dominion Bank	10%	12%
Provincial Bank	6%	9%
Royal Bank	8%	12%

Royal Gives Subjects for Essay Competition

Five subjects offer a wide choice to Canadian students who will be in competition for the Graduate Fellowship amounting to $1,000 which is offered by the Royal Bank for the best essay on a Canadian economic problem. The competition has been sponsored by the Royal Bank for some years. The papers entered in the new competition must be submitted by March 1, 1934.

The subjects on which competitors can write are as follows:

1. An analysis of a Canadian industry.
2. The restoration of international movements of capital as a basis for an increased volume of trade.
3. The discussions and results of the World Economic Conference.
4. The future of the export trade in Canadian agriculture.
5. Possible development of power-using industries in eastern Canada.

Weekly Bank Clearings

	May 25, 1933 $	Change year ago %	May 18, 1933 $
Halifax	1,667,816	—8.4	1,946,944
Saint John	1,405,418	—0.2	1,183,689
Moncton	694,391	+11.2	470,057
Sherbrooke	475,962	+2.5	551,997
Quebec	2,325,454	—32.5	3,676,195
Montreal	55,336,359	—7.0	81,613,475
Ottawa	3,324,958	+9.7	3,674,961
Kingston	374,244	—22.7	431,393
Peterboro'	397,634	—19.8	496,359
Toronto	75,581,982	+27.1	106,667,473
Hamilton	2,702,108	—11.0	3,246,027
Kitchener	725,535	+12.2	802,707
Brantford	644,985	—11.5	795,092
London	1,682,231	—9.1	2,129,027
Chatham	309,150	—19.8	376,774
Windsor	1,671,955	—22.0	2,678,021
Sarnia	304,157	—0.2	....
Sudbury	392,563	—0.5	478,033
Ft. William	380,567	—12.0	535,236
Winnipeg	50,108,015	+79.6	46,559,075
Brandon	199,982	—15.1	267,059
Regina	1,858,180	—36.8	3,245,505
Moose Jaw	357,442	—18.2	575,175
Saskatoon	873,943	—22.2	1,134,563
Pr. Albert	182,488	—40.0	226,423
Edmonton	2,346,269	—21.5	3,042,635
Calgary	4,790,890	+22.5	4,704,503
Medicine Hat	138,739	—3.1	150,320
N. W'minster	327,735	—22.0	385,829
Vancouver	11,180,076	+10.7	12,607,646
Victoria	1,111,488	+5.1	1,309,580
Lethbridge	217,596	—1.9	294,083

Waste in Government Should be Reduced; Taxpayers Can Act

Public Buys More Government Than It Can Afford

TAXES INCREASE

Multiplicity of Taxing Bodies Leads to Duplication of Many Services

Address delivered By DR. HORACE L. BRITTAIN, Director, Citizens' Research Institute, before the Owen Sound Board of Trade.

The old idea of a tax was simply an exaction from the citizen to pay the expenses of the monarch. This idea of a forced payment by an unwilling citizen to an authority outside himself has carried over into the present day. Many of us still have a feeling of suppressed resentment when we pay a tax and still regard the amount of the tax as something entirely outside our influence or control. As a matter of fact, British liberty as we know it is largely the result of a long contest between parliament representing the citizens and the King or his representatives which resulted in the popular house of parliament establishing control over the whole public expenditure including that financed by taxes and that financed by other public revenues.

At present, theoretically, the people's representatives in municipal councils, provincial legislatures and Dominion parliaments have complete control over all governmental expenditures and therefore over all taxes while the electors have complete control of their representatives. As government has become more complicated with the transformation of society through the great social, industrial and commercial changes of the last century and a half, as the executive branch of government has had to take on more extensive functions and therefore has been clothed with more power than formerly, as the tempo at which the average citizen lives has increased, in practice the control of expenditure has gradually slipped out of the close control of elected bodies. Too often the membership of elected bodies has come to be determined by chance, or partisanship or friendship and not by any means usually by a consideration of qualifications to represent their constituents in the management of public business.

Voters Can Exert Control

While this is true, the citizens and voters may still, if they desire to, effectively assert their blood-bought right to control public expenditures and taxation entirely in their own interest. I will not say that they can buy as much or as little government as they want. They cannot buy as little as they may want because huge debt charges for past expenditures must be met. They cannot buy as much as they may want because there is a distinct limit to taxpaying ability as measured by income and, of borrowing capacity. But there still remains a large field in which the citizens may indulge in "shopping" to determine how much and what governmental service they will buy and how much and what governmental service they will do without. If citizens had exercised a more critical attitude in the past toward their purchases of government instead of garlanding the brows of those who would spend most of their money, possibly their total public bills might not be so large and overpowering at present.

Have Too Many Taxing Bodies

We have in Canada a Federal Parliament, nine Provincial Parliaments, 3,955 Municipal Councils, 23,860 School Boards, besides many other public authorities, all having the duty of producing governmental services and all having the right to spend public money. Probably from 100,000 to 125,000 people sit in these bodies, and possibly the words they utter annually if put in print and stretched end for end would encircle the globe. They certainly would cover, if not illuminate, the subjects under discussion. If the number of elected public bodies could be reduced to 5,000 and the number of members to 25,000, it might cramp the style of some orators, and blast the political chances of some candidates, but it would certainly not increase the cost of government or produce less service. In fact, the effect would in my judgment be quite the contrary.

Is So Much Organization Needed?

In one western city some years ago there were 29 departments of the local government. In many Ontario cities there are from 10 to 15 independent departments and three or four boards or commissions. Only a municipal or governmental corporation could exist under such conditions. A private corporation with as large a number of managers independent of one another and responsible only to the directors would soon go bankrupt. Municipalities up to the present have been able to pass on any losses or deficits to the taxpayers. Only recently has it become evident that there is a limit beyond which taxpayers will or cannot go. The power to tax is the power to confiscate, but what good does much confiscated property do to a municipality? The recent defaults among municipalities and the widespread if not almost universal increase in the tax arrears, indicates that in public affairs as in private affairs what one can buy and what one can pay for are quite different things.

If investment houses, banks and investors had long ago refused to advance money to enable municipalities to buy "government" which they might not be able to pay for, conditions might be quite different. There was a time when a municipal bond was a municipal bond, but now a municipal bond may be only an unpaid note or even a nicely engraved piece of paper. Either municipalities will have to simplify and centralize their management of their own volition or in many cases government appointed receivers will do it for them.

The same thing is true of provincial government. The province is simply a large public corporation. There is no Tory way of administering hospitals and no Grit way of making highways. There is no need of partisan politics in provincial affairs and some day we will be poor enough and, as a result intelligent enough to run provincial affairs on the basis of efficiency only. Why could not a board of 50 members meeting once a month, with an executive committee of five meeting daily, perform all the functions of a local parliament and cabinet and perform them more expeditiously and effectively? Why could not the executive committee work through a general manager who would coordinate the numerous staffs of the province and prepare and control the revenue and capital budget under control of the executive committee and board. Is there anything essentially more complicated in governmental than in other administration, or do we only think so? Or do we think?

Investment in Government Large

In 1931 Canadians bought government at a cost of over $1,050,000,000 or $101.46 per person, man, woman and child, or, say, $405 per family. The investment of Canadians in government or rather the amount of money that governments have borrowed on the credit of the taxpayers is over 6.3 billions or about $650 per capita or $2,600 per family of four. Thus on every home in addition to the private mortgage it is carrying, there is a public mortgage of $2,600.

The expenditure of the Dominion alone is 50 per cent greater than the whole national debt before the war. It may be said that this is due entirely to the war, but then the total municipal expenditure is less than the total municipal debenture debt in 1913 by only 10 per cent.

In the period 1914-1931 while the population was increasing 35 per cent, governmental expenditures increased 254 per cent. It is true that national wealth increased 160 per cent in the period 1914-1929, but since 1929, although no official figures are available to prove it, it is evident that national wealth has decreased considerably. For instance, one authority estimates that the national wealth in the United States has decreased over 60 per cent in 1933 compared with 1929. Whether this is a true statement and whether a similar condition holds in Canada is not known, but it is sufficient to state that while national wealth has been decreasing governmental expenditures have been increasing in Canada—not a very satisfactory condition.

Do We Need So Many Services?

In early days we bought government in the form of protection of persons and property. We expected government to protect us and our property from riot, robbery, murder and expected very little else of it. This function is still the main function of government. In the Federal field we have the militia and Royal Canadian Police. In the provincial field we have the provincial police. In the municipality we have police, fire fighting, building inspection, electrical inspection, the registration of deeds, etc. In all fields we have the judiciary and the courts. In 1930 we spent over $140,000,000 in protection of persons and property.

The next function to emerge was education. Schools cost us in 1930 over $166,000,000. Every child in Ontario and in most of Canada receives schooling at the public expense, irrespective of the contributions of his parents. He may not get the right kind of schooling, but he has to take a dose of education whether he wants it or not, or whether it does him any good or not. He has a right to have so much money spent or wasted on him and the state sees that justice is done. We all believe in public education and that education is for all. Democratic government cannot exist without widespread education. But is schooling synonymous with education and are we quite certain that we get full value for our money?

Highway Costs High

The next most expensive service we have is communications such as highways, roads, canals, public contributions to railroads, etc. In early days bridle paths and streams were the highways. When roads came most of it was done by statute labor. But the coming of the motor car required permanent roads and unfortunately apparently permanent debt. In a country of the great extent and sparse population of Canada, highly organized industrially and commercially, adequate communications are absolutely necessary. But are we certain that roads are being built on the basis of relative need from the standpoint of community service, are we quite sure that districts have never been opened up in advance of need and at great cost to the public? Are we certain not only that the roads will bear the traffic, but that the traffic will bear the roads? The most recent arrivals in governmental services are under the heading of Public Welfare and Charity. In 1930 we paid almost $65,000,000 on this head. This included old age pensions, mothers' allowances, civic welfare departments, etc. We are just at the beginning in this field. There are still unemployment insurance and health insurance.

In 1930 we spent on care of the public domain $19,000,000, on agriculture $18,000,000, on health and sanitation $16,000,000. On immigration and colonization which had practically disappeared $14,000,000 and on debt service, directly governmental, $226,000,000.

One is faced by the question, when is the increase in public expenditure going to stop? That depends entirely on the attitude of the people who pay the bills. Not of the people who get tax receipts but of the people who pay the bills. This means everybody except the people who pay no bills—deadbeats. When a man drinks a cup of coffee, he drinks several kinds of tax, when he buys a loaf of bread he helps pay the merchants real estate and business tax, when and if he buys a suit of clothes he pays a flock of taxes. While he sleeps his tax accumulates and when he wakes they look him straight in the eye. The only way to avoid the increased taxes is to stop the increase in public services, or cut down their cost and the only persons who can do this are the people who elect councils and parliaments. There is no sense, however, in bellowing for economy and whispering for a post office or an armory. Everyone can play at that game, and everyone will if anyone does. There are two chief theories of government: first, the less governments undertake the better, and second, the more governments undertake the better.

The first is individualistic. The second is socialistic. Between the two extremes, the truth lies. If as a community we neglect community well being, individuals will suffer. If as a community we undertake to do for individuals what they can as well do for themselves, the community will suffer. One thing is certain that too rapid progress from simple to complex governments must be accompanied by tremendous waste. Can we afford waste at present, or should we call a halt?

Becomes Partner

GEORGE T. MEECH whose admission to partnership in the firm of Aird, Macleod & Co., members of the Toronto Stock Exchange, is announced this week. Mr. Meech has been associated with Aird, Macleod & Co. since 1923.

Canadian Pacific Express Travellers Cheques Are World Currency

Carry them on your next trip and be assured of travel comfort.

Get them from any agent of the Canadian Pacific & most Banks

New Markets Help Maintain Lumber Exports

Lumber exports from British Columbia during the first three months of the current year suffered severely in comparison with previous years owing to the almost complete loss of the United States market, figures released by the Pacific Lumber Inspection Bureau reveal. Exports to countries other than the United States were higher than in any similar period of the past five years, the total of over 104,000,000 ft. b.m. being 17,400,000 ft. b.m. greater than last year.

Exports to the United States and to Eastern Canada by water were only 1,186,000 ft. b.m., compared with 42,500,000 ft. b.m. in the same period last year. In 1929, these exports were over 76,000,000 ft. b.m. and in 1930 over 86,500,000 ft. b.m.

United Kingdom, Australia, China and Japan were the chief outside markets in 1933, exports to the three former countries being the highest in the past five years. Exports to Japan reached their peak in the 1929 three months period with a total of nearly 50,000,000 ft. b.m. as compared with 18,850,000 ft. b.m. this year.

Exports by chief countries are as follows:

Lumber Exports from British Columbia (In M. feet board measure)

—3 Months Ended March—	1933	1932	1931
U. Kingdom	26,522	13,160	15,835
Australia	26,240	24,613	4,246
China	25,141	14,064	6,553
Japan	18,847	26,690	26,069
N. America*	1,186	42,512	62,001
Others	7,429	8,278	12,563
Total	105,365	129,317	126,267

* Includes Eastern Canadian points.

ROYAL BANK OF SCOTLAND

(Incorporated by Royal Charter, 1727)

Capital (fully paid) £ 3,780,192
Reserve Fund £ 3,780,926
Deposits £55,898,683

General Manager Sir Alexander K. Wright, K.B.E., D.L., LL.D.

TRADE WITH GREAT BRITAIN

The ramifications of the Bank throughout Great Britain and the entire World enable it to handle every description of British, Colonial and Foreign Banking business.

LONDON—City Office: 3 Bishopsgate, E. C. 2

Head Office: EDINBURGH

250 BRANCHES IN ALL

Associated Bank: Williams Deacon's Bank Ltd. (Members of the London Bankers' Clearing House)

GENERAL TRUST OF CANADA

Complete Trust Service—Capital paid up $1,105,000

HON. J. M. WILSON, President — BEAUDRY LEMAN, Vice-president

HON. D. O. LESPERANCE, Vice-president — RENE MORIN, General Manager

112 ST. JAMES ST. WEST — MONTREAL

National Steel Car Corporation Limited

Builders of Passenger Cars—Freight Cars — Street Cars — Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames, Woodwork and Parts—Steel Pressings—Forgings—Drop Forgings.

HAMILTON, ONTARIO, CANADA
621 St. James Street, MONTREAL, QUE.

Scots VISIT HAME!

Better times are coming : : : so, for the sake o'auld lang syne, visit bonnie Scotland this year. The hills are purple with heather and yellow with broom : : : and old friends are waiting to welcome you. "Tak the fast road" : : : by Canadian Pacific's regal "Duchesses" . . . to Scotland in 6 days. From Montreal and Quebec to Glasgow.

Ocean rates as low as $135.50 return.

Inquire from your local travel agent or J. BLACK MACKAY Steamship General Agent, Canadian Pacific Bldg., Toronto

713

CANADIAN PACIFIC

Grain and Milling in Canada

This Week in Wheat

From Our Grain Correspondent

Wheat Follows Gold

WINNIPEG—After a period during which purely financial considerations appeared to be losing some of their strength in the wheat market, until probabilities of the course of currency policy in the United States and elsewhere could be more closely determined, the wheat market again assumed the aspect of a branch of the money market with the introduction of the bill in the United States Congress to cancel the effect of the gold clause in bonds and other contracts. Up until that time it had seemed probable that the market would gradually come more under the influence of the factors which ordinarily affect wheat trade, until at least the effects of the International Economic Conference had been established. But again the situation has arisen in which the purchaser of wheat futures is speculating more upon the future value of money than upon the future demand for and supply of wheat.

Concurrently there has been some improvement in the export trade in Canadian wheat. For two successive weeks clearances from the North American continent have been in excess of 6,000,000 bushels, with Canada doing more than half the world's export trade. That is the position which this country occupied last fall and in the early part of the winter, until the rush of marketing from the southern hemisphere put Australia and the Argentine alternately in first place. There has also been an improvement in the completion of forward contracts for export shipment, indicating a fairly close correspondence between values in Canada and ideas held overseas.

* * *

Exports Stimulated

FORWARDING of grain down the Great Lakes has been largely stimulated since the drop in lake freights from six cents to four cents a bushel. It would appear that companies engaged in this business had anticipated that shipping companies might not be able to maintain the freight schedule at the former level, and had postponed their operations in anticipation of a reduction. There has resulted a good cash market, especially for all grades except one northern, the grade in which the Canadian carryover is practically concentrated at present. Even with one northern the cash price has moved up within a fraction of a cent of the July price, indicating a fairly strong market.

* * *

Crop Conditions Improve

PROSPECTS for total production of wheat this year are somewhat better than they were a few weeks ago. Rains have brought some improvement to the United States winter wheat crop, and although it is still bound to be very small, the next United States Government report is expected to show an increase of twenty million bushels or so above the May report which indicated a production of only 337,000,000 bushels. At the same time heavy rains in the spring wheat territory of the northwestern states and of western Canada have enlarged the possibilities of production, in spite of the reduction of acreage in both areas.

* * *

Other Wheat Producers

GROWING conditions in Australia still appear to be unfavorable, although drought has been relieved to some extent by rains, which although fairly widespread in area, are still considered to be inadequate. In western Europe it seems that wheat crops are likely to be fairly good, although falling well below the large yields which were obtained last year. In the Danubian countries, where wheat crops were largely failures last year, production is practically certain to be considerably greater, although better than average crops do not appear to be indicated.

Frequent reports have appeared lately stressing the large area sown to spring wheat in Russia. In spite of these the probability of Russia having wheat available for export during the next crop year would seem to be remote. Winter wheat plantings, it will be remembered, were substantially below those of the year before, and some of the early progress in spring wheat planting seems to have been substituting the latter on land which is usually devoted to winter wheat. It is the winter wheat area of the south from which grain exports in the past have principally been made.

* * *

Wheat Parley Bearish

THE four power wheat conference at Geneva was construed by the market as bearish in effect. Liverpool had previously reported that dealers overseas considered that attempts to advance prices by restriction of acreage in exporting countries would lead to increased efforts in importing countries to make themselves independent of imports. In addition the market did not like the threat, which, whether justifiably or not, was interjected in despatches from Geneva to the effect that the United States might consider dumping abroad its export stocks should other countries decline to fall in line with suggestions made on behalf of that country.

As July approaches a new technical feature may play an important part in the market. By that time the first of the U. S. winter wheat crop will be available, but it is just those sections in the far south from which the earliest crop is received that promise the smallest production this year, so the burden thrown on the market at that time will be far less than usual.

TWO MILLION FEWER ACRES UNDER WHEAT

Reduced Acreage Does Not Necessarily Mean Smaller Crop

BEST LAND SEEDED

Wet Weather Which Caused Reduction in Acreage Also Improved Crop Prospects

From Our Own Correspondent

WINNIPEG.—The drop in acreage sown to wheat in the West this year may now be put at approximately 2,000,000 acres, or about 8 per cent of the total of 25,221,100 acres estimated to have been sown last year.

Out of last year's total acreage seeded it was estimated by the Northwest Grain Dealers' Association that there was abandoned before harvest a total of 1,557,600 acres, so the total now needed is not very much below the total harvested last year. The drop in acreage this year is almost altogether due to wet weather which has prevented farmers, mainly in Northern Saskatchewan and Central and Northern Alberta, from completing a full seeding programme so far as wheat is concerned. Before seeding commenced it was the estimate of The Financial Post that there would be a slight, but not an important, reduction in wheat acreage, provided farmers had a sufficiently long seeding season to enable them to get their seed in with resources in power and equipment reduced from those of former years.

Three weeks ago a drop in western acreage somewhat above 1,500,000 acres was reported to be indicated, an estimate not very far from the reduction of 1,475,000 acres published almost immediately afterward by the Dominion Government.. At that time, had weather remained fine, it would have been possible for farmers to complete the seeding indicated, but a continuation of wet weather in many districts beyond the safe date for seeding wheat makes it necessary to enlarge the estimated reduction as indicated.

Wet Weather Cause

The wet weather that has enforced this acreage reduction has improved the prospect for total production of wheat in Western Canada more than it has been reduced by the cut in acreage, that is so far as the whole area of Western Canada is concerned, and at least so far as Manitoba and Saskatchewan are concerned. The balance is the other way in Alberta, where the proportionate reduction in acreage is greater than in the other provinces, amounting probably to 1,000,000 acres as against 7,877,800 seeded last year. South of the Red Deer River farmers very largely completed their seeding programme for wheat, but between Red Deer and Edmonton the season was very backward, while in the Peace River Country it was even more so.

In Southern Alberta, however, the wheat was largely sown in sufficient time, and the prospects for that area are considered brilliant. This part of the country, more than any other is dependent upon seasonal rains, and does not rely to the same extent as the rest of Western Canada upon stores of subsoil moisture. The drying effect of the Chinook winds, and the lack of snow cover, make it a normal thing for the land to be very dry in the spring. When rains come the south gets a crop, and when the rain fails it lacks reserves upon which to fall back. Farmers there got a fairly good start with their wheat seeding, and continued it later than in other parts of the West, for they have not the same fear of early fall frosts, catching late sown crops before they mature, which prevails elsewhere, nor is rust considered a danger.

Drought Area Wet

All Southern Saskatchewan, the great area which suffered from drought for four successive years, is wet, and here too, farmers did fairly well with their seeding programme. The northern part of the province was well supplied with moisture before the seeding season, and would have been grateful for somewhat less rain this spring. But it must be remembered that Southern Saskatchewan, using that expression to designate the part of the province south of Saskatoon, was formerly the greatest wheat producing area of the West, and it has been long under cultivation, in contrast to the more northerly parts of the province, where farmers are still engaged in subduing their land, and year by year clearing off more light bush. One hundred square miles of land in the southern part of the province will contain more wheat land than a similar area in any other part of the West. Sufficient rainfall there has therefore a greater significance for total wheat production than corresponding conditions over an equivalent area elsewhere.

Manitoba, broadly speaking, was able to put in all its planned wheat acreage, its heavy rainfalls coming after, and not before seeding.

Best Land Seeded First

It is the practice of farmers to do their seeding first on the best prepared land. Land summer-fallowed last year has almost everywhere been seeded to wheat, and the reduction in acreage will apply mainly to land which produced a crop last year. Over most of Western Canada, it should be explained, the standard practice is to summer-fallow land every third year. A third grain-crop on the same land without summer-fallowing is usually unsatisfactory, as the result of weed growth. The reduction in seeded acreage, therefore, does not mean a corresponding reduction in crop prospects.

As soon as wheat seeding is completed, farmers are accustomed to turn their attention to seeding coarse grains, oats and barley. Barley has a short growing season, and may be sown much later than wheat. The growing period required for oats is intermediate between wheat and barley, but there is no hesitation in sowing oats up to a late date, because if there is not sufficient time for the grain to ripen the crop can be cut green and stacked, and the sheaves fed to livestock. A good deal of land which except for the late opening and delays of the seeding season would have been put into wheat will be seeded to oats. Most of such land lies in the districts where mixed farming is practised, and an increase in feed production can be absorbed in increased feeding operations or in building up farm reserves of feed.

Crop Prospects Better

In spite of the reduction in wheat acreage, crop prospects may be described as better at the moment than they have been at the corresponding period during the past four years. Hardly yet, however, can they be considered as ideal, such as are taken to point to the production of bumper crops. Warmth and moisture have been such as to promote the rapid development of wheat above ground, rather than the development of a strong root system, which best enables wheat to withstand the adversities almost certain to come later in the year. But the conditions which promote the largest possible production of wheat in the West occur but seldom, and are not to be recognized until the crop is harvested. Provided early frosts and rust hold off, total production is increased by conditions which keep the crop growing for a long period. But if rust and frost conditions occur, the crop is better off if it is brought to quick maturity.

It is hardly likely that the very high grading of the crops of the past three years will be repeated this year, as the highest grade crops as a rule are produced under conditions which bring about comparatively early ripening and preclude the highest yields. Since northern production is bound to be less, there are likely to be smaller quantities of Garnet wheat produced, and consequently smaller quantities of No. 2 Northern, which is the highest grade into which Garnet may be produced. And, since some of the wheat is likely to be late enough to be caught by frost or by rust, somewhat larger quantities of grades No. 3 Northern and lower than have been seen for the past two years may reasonably be expected.

Carryover Grades High

At present the carryover of the crop is almost altogether in the higher grades, the quantities on hand of grades lower than No. 2 Northern being practically negligible. To have more lower grade wheat to sell may not be an unmixed evil, for that actually increases the markets open to Canadian wheat, particularly in the Orient. The price relationship between Canadian and Australian wheat based on the Liverpool market, and the structure of ocean freight rates are such that it is practically impossible for Canada to sell large quantities of high grade wheat in the Oriental market.

All Eastern Canada Ports Have Higher Wheat Exports

Eastern ports have been the gainers in the reduction of the amount of wheat handled by United States ports during the current crop year, only Vancouver handling a smaller proportion of total wheat export this year as compared with last. Vancouver, however, is the chief port of export handling 44.1 per cent of the exports from August 1, 1932, to May 19, 1933. Last year to date it handled 47.5 per cent of total exports.

Montreal, the second most important export point, handled 27.7 per cent of exports this year compared with 26.2 per cent in 1931-32 while Sorel, the third Canadian port, doubled its percentage, handling 7.6 per cent compared with 3.8 per cent.

West Saint John and Saint John, Quebec, Churchill, Halifax, Victoria and Prince Rupert, the other points of export, all handled greater tonnage and an increased proportion of the total in the current year.

U. S. A. Losses

United States Atlantic ports handled 22,176,000 bushels this year compared with 26,780,000 bushels last year, the comparative percentages of the totals being 11.8 per cent and 20.3 per cent.

During the remainder of the season the heaviest exports pass through the St. Lawrence ports, Montreal and Sorel doing the bulk of the trade, although Vancouver shipments continue in fair volume. Position of the chief ports during the current crop year compared with last is as follows:

WHEAT EXPORTED, AUG. 1 to MAY 19

	1932-33 Bushels	% Total	1931-32 Bushels	% Total
Vancouver	82,966,654	44.1	62,647,869	47.5
Montreal	52,136,536	27.7	34,551,760	26.2
U. S. ports	22,176,000	11.8	26,780,000	20.3
Sorel	14,395,084	7.6	5,024,122	3.8
W. St. John and Saint John	6,864,873	3.6	2,017,008	1.6
Other ports	9,515,213	5.2	710,206	.6
Total	188,054,360	100.0	131,780,965	100.0

Crop Prospects

MOISTURE REPORTS BEST SINCE 1928

Crop Conditions Promising Though a Little Late

General soil moisture conditions throughout the Prairies are particularly good, perhaps the best since 1928, according to the first weekly crop report of the Dominion Bureau of Statistics. The spring season is generally reported as a little late but very promising. Germination has been favored by the ample moisture supply but slightly retarded by low temperatures.

There are many reports of decreased acreage of spring wheat which would seem to substantiate the 5.6 per cent decrease shown by the intentions report of May 10, the report states.

In Manitoba, all seeding is practically completed and grain in many fields is well above ground. Grasshoppers are hatching but the poisoning campaign is well organized. There are indications of reduced wheat acreage and increased sowings of pasture.

Improved moisture supply is the feature of the situation in Saskatchewan. Spring rains have been particularly good especially in the areas stricken by drought since 1928. West-central Saskatchewan needs rain to replenish the sub-soil. Soil drifting has been negligible and grasshoppers are not threatening, except possibly in the southeast. Rains have favored pasture growth, thus greatly assisting livestock to recover from their thin condition. Reduction of wheat acreage and a slight increase in coarse grains are possible results of the late season.

Seeding and growth are later in Alberta and have aroused some misgivings. Wheat acreage is commonly regarded as lower than in 1932 by from 5 to 20 per cent. Decreases are greatest north and east of Edmonton. Throughout the province seeding is practically completed being from 10 to 15 days late.

Wheat in Manitoba Up from Three to Five Inches

Seeding everywhere throughout the Prairies is nearly completed and moisture is reported as sufficient, according to the weekly crop report of the C. N. R. dated May 26. Rains in Alberta and Saskatchewan, where seeding is already 10 days late, halted work on the land for a few days, but work is again under way.

Copious rains which drenched Manitoba will greatly assist the growing crop which is up everywhere from three to five inches. The moisture will reduce to a great extent the grasshopper menace. Precipitation in Saskatchewan is reported to be the heaviest in years; a few days of dry weather will see all wheat seeded. Farmers consider conditions ideal in Alberta; good progress is being made in the Peace River area with seeding.

Prairie Crop Conditions Cause General Optimism

Though the season is later than usual, crop conditions throughout the Prairie provinces provide cause for optimism, according to the C. P. R. crop report dated May 26. The opinion is based on improved moisture conditions, due to recent rains, generous growth visible everywhere and germination, which in many points, especially in southern Saskatchewan, is the best since 1928.

Wheat seeding, says the report, is completed in Manitoba and has reached 90 to 92 per cent in Saskatchewan and 80 per cent in Alberta.

Coarse grains follow closely, with oats 60 per cent in the ground and barley 41 per cent. Fall rye is in good stand and more grass is available for livestock.

Rainfall in Saskatchewan Most Encouraging Report

Most encouraging feature of the recent rainfall in the Prairies is the relatively good showing of southern Saskatchewan. At the opening of the spring season it was evident that reserves in this area were short, according to the rainfall report of the W. Sanford Evans Statistical Service, Winnipeg, dated May 26. Since April 1, every station in southern Saskatchewan reports normal or greater than normal precipitation.

General prospect for the Prairie grain crops is now decidedly better than at any time this year and may be considered near normal for this stage of the growing season, except that considerable areas of wheat were being sown rather late.

Week's Extension, Minimum Hudson Bay Hull Insce.

Extension of lower insurance rates for ships operating out of Hudson Bay for one week is announced by the Department of Marine but otherwise the rates will be the same as applied last season. Minimum rates will therefore extend from August 10 to October 7. From October 8 to October 15 the rates will be increased by 25 per cent.

Elevator rates at Churchill have been filed with the Board of Grain Commissioners but will not be announced until final approval is given them. Last year no elevator charges were made at the port.

Winnipeg Grain Prices

Week to May 30

Crop year from Aug. 1, 1932 High	Low		Open May 23	High for week	Low for week	Close May 30
		Wheat				
.67⅞	.40½	May	.61⅝	.65½	.61½	.65½
.67¾	.41⅛	July	.62½	.65⅞	.61⅝	.65⅝
.69⅞	.46⅝	October	.63⅞	.68	.63⅞	.67⅝
.69	.65	December	.65¼	.69	.65	.68⅛
		Oats				
.29⅝	[illegible]	May	.27½	.29¼	.27¼	.29¼
.30¼	[illegible]	July	.28	.29⅝	.28	.29½
.30¼	[illegible]	October	[illegible]	[illegible]	[illegible]	.30
		Barley				
.38⅝	[illegible]	May	[illegible]	[illegible]	[illegible]	.38⅝
.39½	[illegible]	July	[illegible]	[illegible]	[illegible]	.39⅞
.41	[illegible]	October	[illegible]	[illegible]	[illegible]	.40⅞
		Flax				
1.30⅝	[illegible]	May	[illegible]	[illegible]	[illegible]	1.30⅝
1.32	[illegible]	July	[illegible]	[illegible]	[illegible]	1.30⅞
1.35	[illegible]	October	[illegible]	[illegible]	[illegible]	1.30
1.29½	[illegible]	December	[illegible]	[illegible]	[illegible]	1.29¼
		Rye				
.48	[illegible]	May	[illegible]	[illegible]	[illegible]	.48¼
.48⅛	[illegible]	July	[illegible]	[illegible]	[illegible]	.50¼
.50⅝	[illegible]	October	[illegible]	[illegible]	[illegible]	.52⅛

Stabilization Fund Plans Shortly to Be Announced On Basis of $4.60 Pound

From Our Own Correspondent

OTTAWA—Regulations creating the administrative and financial machinery necessary to the carrying out of the government's stabilization fund are now in course of preparation and will be proclaimed, according to present plans, within the next fortnight.

While the stabilization fund policy was announced in the budget, the government did not bring down special legislation to carry it into effect. The proposal is to consider the policy as a part of unemployment relief and all expenditures necessary to achieve the purpose in view will be made out of consolidated revenues under the authority of the Unemployment Relief Act. This statute expires March 31, 1934, so that the stabilization fund automatically will cease to operate on that date.

All that is now required is an order-in-council setting up the administrative and financial machinery. There is to be no administrative staff, no board and no officials. Any clerical work that may be necessary will be done by the present staffs of the departments of agriculture and finance.

As originally announced, the fund will be used to bonus exporters who ship one or more of a dozen commodities to the British market. The commodities are:—animals, meats, poultry, fresh fish, canned fish, tobacco, cheese, milk products, canned fruits, canned vegetables, maple products, eggs and honey. Sufficient money will be expended under the policy to ensure these exporters payment at the rate of $4.60 to the pound. When the policy was announced the current exchange rate was $4.10 but since March 21, the pound has risen to approximately $4.50. On the original basis, therefore, the cost will be $2,000,000 instead of $10,000,000, as estimated.

There has been a general demand for a widening of the list of commodities affected and Premier Bennett has stated that if the British pound gives promise of remaining steady at $4.50 or better, the government will accept many suggestions in this regard. It is pointed out that this can be done without departing from the original commodities. Obviously these commodities are basic and if their application is construed in a generous sense they can be made to include a very much larger number of related products.

The administrative machinery will be very simple. The banks will be used to the largest possible extent. Through the banks the treasury will arrange to pay exporters at the rate of $4.60. The banks will then collect the current value of the pound from the British purchasers, and the balance will be collected from the finance department at Ottawa.

KING EDWARD FAILS TO STAY FORECLOSURE

Security-holders Will Appeal and Attempt Capital Reorganization

Motion by the King Edward Hotel Co. to stay foreclosure proceedings by the Metropolitan Life Insurance Co., holders of a first mortgage for $2,150,000 on the company's land and buildings, has been dismissed by Mr. Justice Middleton at Toronto. An appeal will be made against this decision at an early date, according to J. R. L. Starr, K.C., who acted for the hotel company. The application for stay of proceedings was made under the Judicature Act.

If the appeal fails, the Metropolitan Life has to wait 10 months before foreclosure becomes effective, according to Charles E. Calvert, a large shareholder in the hotel company. In any event, a capital reorganization of the company will be attempted before the 10 months period expires, according to this shareholder.

The mortgage of the Metropolitan Life also has some $250,000 of arrears of interest due on it. The company has not been able to earn enough money to pay taxes on its property in recent months.

Want Summer Business

Holders of $4,416,400 of refunding mortgage bonds and debentures in the King Edward Hotel Co. have been hoping that it would be possible to operate the hotel through the present summer. In this way they would stand to get the benefit of tourist business. It appears that they will be able to do this, even if the foreclosure proceedings are successful in the Appeal Court.

Previous to the decision of Mr. Justice Middleton, junior security holders of the hotel company had attempted to have the foreclosure application stayed until September next. This would have allowed nearly two summers of tourist business before any foreclosure could have become effective. Even now shareholders and debenture holders hope that some such arrangements may be possible. It would apparently require a very large summer business in 1933 to enable the company to make up its back payments on the first mortgage and to pay its taxes.

Foreclosures within the next 10 months may be prevented if a successful reorganization is carried out. New money would have to be raised to provide working capital in addition to what is necessary to meet taxes and mortgage obligations.

Reorganization in 1931

A reorganization plan was formulated in 1931, whereby United Hotels Co., which controls King Edward Hotel Co., was to provide $500,000 of a new issue of King Edward bonds. Apparently only $200,000 was raised in this way, and was insufficient to supply the needed working capital.

Mr. Justice Middleton held that the court had not the power to prevent the Metropolitan Life taking steps to foreclose on the land and buildings of the company. He indicated that no amount of compassion would allow the court to refuse the first mortgagee its appropriate remedy.

First Wheat Crop Estimate Suggests 455,000,000 Bus.

First forecast of the Canadian 1933 wheat crop, made by the U. S. Department of Agriculture, suggests a crop of 455,000,000 bushels for all Canada, the largest crop since the bumper yield of 566,726,000 bushels in 1928 and nearly 30,000,000 bushels greater than in 1932.

McCabe Bros. Grain Co. LIMITED
WINNIPEG, MAN.
GRAIN COMMISSION MERCHANTS
Shippers and Exporters All Grains-Sacked Feeds
Operating Country Elevators MANITOBA SASKATCHEWAN ALBERTA
Branch Offices: DULUTH — MINNEAPOLIS

Dominion Textile Operations Better

From Our Own Correspondent

MONTREAL.—Operations of Dominion Textile at present are running about 85 per cent of capacity in contrast with 72 per cent a month ago. Further improvement in the company's position is seen in the rise in cotton prices which has enhanced the company's inventory position in a substantial manner.

Sales of the company last year had a dollar value of $13,854,637, a reduction from the previous year of 9.2 per cent. Mill operations in 1932 varied from month to month, with a low of 49 per cent, a high of 79 per cent and an average of 64.10 per cent for the year.

CONSOL. PRESS EARNINGS DOWN MAINTAINS CASH

Write-offs on Investments Much Less Than Previous Year

Showing sharp reduction in net earnings from operation and investments but working capital well maintained, the statement of Consolidated Press Ltd. shows a net loss of $26,347 after provision for debenture interest of $37,970; depreciation of $40,449 and write-off of investments of $24,401 which reduces value of investments to market value at March 31, 1933. Net earnings of $76,633 compare with $143,489. Write-off on investments compared with reserve of $114,297 in the previous year. Since March 31 there has been appreciation in investments.

Controllable expenditures were further reduced during the past year although taxes increased to $50,450.

CONS. INCOME & SURPLUS ACCOUNT Year Ended March 31

	1933 $	1932 $
Net earnings*	76,633	143,489
Less: Depreciation	40,449	39,740
Debenture interest	37,970	39,678
Income tax	160	7,500
Res. for w/d invest. to market value	24,401	114,297
Net profit	†26,347	†57,726
Less appropriations: Class "A" divds.	....	75,000
Surplus for year	†26,347	†132,726
Add: Previous surplus	75,561	213,816
Less: Addit. inc. tax	649	5,529
Bal. carried forward	48,564	75,561

*Including income from investments.
†Loss or deficit.

Ratio of current assets to current liabilities remains unchanged at 5.63 to 1. Cash shows little change at $28,271; investments at market value are down to $225,756 from $247,833; accounts receivable are down to $159,808 from $175,370; inventories to $36,698 from $50,023. Current liabilities have been reduced through lower reserve for income tax while accounts payable are up to $66,395 from $63,967.

Working Capital As at March 31

	1933 $	1932 $
Current assets	450,533	504,307
Current liabs.	79,994	89,661
Working capital	370,539	414,646
Ratio	5.63—1	5.62—1

Fixed assets include real estate, after depreciation, at $263,945; plant and equipment, after reserve, $316,470. Prepaid subscriptions, carried as a non-current liability, are down to $98,298 from $116,657. Mortgage payable on Graphic Arts Bulding is down to $55,000 from $80,000 but debentures of the company outstanding remain practically unchanged at $583,800. There are outstanding 50,000 shares of class A stock of no par value carried at $732,076 while surplus is $48,565.

For information as to how a complete analysis of this company can be obtained see page 2.

TORONTO ELEVATORS LIMITED
Two Modern Elevators All Grades of Grain
Toronto - 2 Million Bushels
Sarnia - 3 Million Bushels
First to Open - Last to Close
MASTER FEEDS For Livestock and Poultry
Toronto Elevators Ltd. also Owning and Operating The Sarnia Elevator Co. Ltd.
QUEEN'S QUAY - TORONTO

NATIONAL ELEVATOR CO., LTD.
HEAD OFFICE: WINNIPEG, MAN.
Western Office: Calgary and Edmonton, Alta.
Operating 123 Country Elevators in the Three Western Provinces.
TERMINAL OFFICE: FORT WILLIAM, ONT.
We Specialize in Oat Sacking for Eastern Trade and the Manufacture of Poultry Feeds

Set Fair Wheat Value at 93 Cents in U. S. A.

Setting of the "fair exchange value" of wheat under the Agricultural Adjustment Act, at 93 cents a bushel in the United States will give the farmer the same return for wheat in relation to the things he buys as prevailed in the period August, 1909, to July, 1914, the base period of the new law, according to an announcement made in Washington. The average price of wheat received by farmers at March 15 was 34.5 cents but it has increased considerably since then.

Because of changes in supplies of various classes of wheat, it is impossible to translate this price into a terminal market quotation. The spread between the average United States farm price and the price of wheat at large terminals has varied greatly in recent years. At the spread that prevailed at March 15 it would mean a price of $1.095 for No. 2 dark hard winter at Kansas City and $1.115 for No. 1 northern at Minneapolis.

SEARLE GRAIN COMPANY LIMITED
Country Elevators—Commission Merchants—Future Orders—Domestic and Steam Coal—Flour and Feed
OFFICES: WINNIPEG — EDMONTON — CALGARY — FORT WILLIAM — VANCOUVER
SEARLE TERMINAL LIMITED
WINNIPEG - FORT WILLIAM

FEDERAL Grain Merchants
Three Terminal Elevators
Over 400 Country Elevators
Head Office: Winnipeg Branch Office: Calgary
GRAIN LIMITED

NORRIS GRAIN COMPANY LIMITED
Grain Exchange—Winnipeg 197 Bay Street—Toronto
PRIVATE WIRE SERVICE
Consignments and Futures Solicited
Offices: Liverpool, London, Chicago, New York, Toledo, Kansas City

WESTERN GRAIN COMPANY LIMITED
Country Elevators Serving the Producers in MANITOBA, SASKATCHEWAN AND ALBERTA
WESTERN TERMINAL ELEVATOR, FORT WILLIAM
Cash and Futures Business Solicited
HEAD OFFICE: GRAIN EXCHANGE, WINNIPEG

RELIANCE GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
New York: Smith Murphy Co. Inc., 510 Produce Exchange
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

Grain Merchants Shippers & Exporters
Owning and Operating Terminal Elevator at Port Arthur (Capacity 5,500,000 bushels)
Over 250 Elevators in Western Canada

Est'd 1857
JAMES RICHARDSON & SONS LIMITED
WINNIPEG - KINGSTON - MONTREAL - VANCOUVER - CALGARY - EDMONTON - MOOSE JAW - SASKATOON - REGINA - TORONTO

A. J. Pattison, Jr. & Co. LIMITED
(Established in 1907)
Unlisted Bonds and Stocks
3rd Floor, Royal Bank • Toronto, Can.

June Dividends Declared Will Total $17,497,407

Reduction in Dividend Rate on Four Bank Stocks; Bonuses Paid By Gold Mines Are Chief Features

Dividend payments in June will total $17,497,407 as compared with $19,342,689 in June, 1932, and $28,899,218 in June, 1931. Chief distributions will be made by Imperial Oil, International Petroleum and Lake Shore Mines while five of the banks and Imperial Tobacco contribute substantially to the total. Chief changes in dividend policy to take effect during the month are the reductions in the dividend paid by four of the chartered banks. The Bank of Montreal, Canadian Bank of Commerce and Royal Bank have reduced their dividend rate from 10 per cent to 8 per cent per annum while the Provincial Bank has reduced its rate from 7 per cent to 6 per cent.

The only dividend to be passed is that on the preferred stock of Great Lakes Power Co. Canadian Foreign Investment Corp. is paying $4 of arrears of preferred dividends covering the six months ended Dec. 31, 1932. Extra dividends have been declared by McIntyre Porcupine Mines Ltd. and Sylvanite Gold Mines Ltd. The dividends declared for payment in June, as compiled by The Financial Post, are as follows:

SUMMARY OF PAYMENTS

Dividends	$17,497,407
Bond interest	30,978,708
Total	$48,476,115

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Bk. Can. Nationale	2½q	1	$175,000
Andian National	$1s	15	2,550,000
Bk. of Montreal	2q	1	720,000
Bk. of Toronto	2½q	1	150,000
Belding Corticelli pfd.	1¾q	15	15,142
Canada Malting	37½cq	15	74,614
Canada Vinegars	40cq	1	36,800
Can Bk. of Commerce	2q	1	600,000
Can. For. Invest. pfd.	$4*	18	69,648
Can. Hydro-El. 1st pfd.	1¾q	1	187,500
Cons. Div. Std. Secs. 1st pfd.	25c	15	11,225
East. Theatres c.	50cq	1	16,000
Falconbridge Nickel	10c	30	319,505
Ham. Un. Theatres pfd.	1¾q	30	13,787
Hollinger	5c	17	246,000
Imperial Oil (No. 37)	12½cq	1	3,343,790
Imperial Tobacco, ord.	1¾q	30	826,963
Inter. Milling 1st pfd.	1¾q	1	61,526
Do., "A" pref.	1¾q	1	13,767
Inter. Petroleum (No. 37)	†28cq	15	4,010,744
Do., pref.	†28cq	15	56,000
Inter. Proprie. "A"	65cq	15	145,772
Lake Shore Mines	50+50cq	15	2,000,000
Laura Secord	75cq	1	43,125
Loblaw Groc. 'A'&'B'	20cq	1	169,193
McColl-Fron. c.	15cq	15	75,000
McIntyre Mines	25+25cq	1	399,000
Montreal Cot. pfd.	1¾q	15	52,500
Montreal Loan	75cq	15	18,000
Nat. Sew. Pipe "A"	60cq	15	16,983
N.S. Light & Pr. pfd.	$1.50q	1	18,750
Ogilvie Flour pfd.	1¾q	1	35,000
Provincial Bank	1½q	1	60,000
Reliance Grain pref.	1⅝q	15	32,500
Rolland Paper pfd.	$1.50q	1	22,500
Royal Bank	2q	1	700,000
Sylvanite Gold	2+½s	30	82,487
Walker, Hiram pref.	25cq	15	128,586
			$17,497,407

q—Quarterly. s—Semi-annually.
*Paid on account of arrears covering 6 months end. Dec. 31, 1932.
†Previously paid 25c. per share in U.S. funds.

BOND INTEREST DUE IN JUNE

Company	Rate	Date	Due	Amount
Adel.-Peter Bldg.	6½	1	1948	$ 11,428
Alta. Pac. Grain	6	1	1946	85,080
Auditorium	6½	1	1944	9,236
Barcelona Tr. 1st mtg.	5½	1	1974	224,484
Bawlf Terminal "B"	6	1	1942	6,150
372 Bay St.	6½	1	1947	26,942
Bell Tele. "B"	5	1	1957	750,000
B.C. Tele. "A"	5	1	1960	250,000
Canada Paper "A"	6	4	1945	46,770
C.N.R. (Dom. Can.)	4½	15	1955	1,375,000
Do.	4½	1	1968	787,500
Can. Nor. Rly. 1st mtge.	4	1	1939	160,600
Do., Alta., gtd.	4	1	1939	111,732
Do., gold deb.	7	1	1940	832,265
Can. N. West. Rly.	4½	1	1942	144,540
C.P.R. Trust	5	1	1954	750,000
C.P.R. Note Cert.	4½	15	1944	484,278
Cons. Press	6½	1	1949	19,038
Consumers Glass	5	1	1948	31,137
Deer Park Manor	7	1	1940	5,040
Dominion Glass	6	2	1933	13,971
Frontenac Brew.	6	1	1951	26,187
400 Avenue Road	7	1	1946	9,814
For. Pow. Secs. "A"	6	1	1949	130,965
Gatineau Power	5	1	1956	1,765,100
Do., S.F. debs.	6	15	1941	334,290
Godfrey Realty	6	1	1942	42,750
H. Smith Pap. "A"	5½	1	1953	186,725
Ind. Accept. "A"	6	1	1940	29,400
Inv. Bond & Sh. A.	5	1	1947	62,162
Keefer Realty	6½	1	1943	24,375
Lake & Rail Ware. "A" & "B"	6	1	1951	55,875
Loew's, Marcus	6	1	Serial	2,580
Lon. Can. Inv. "A"	4½	1	1948	100,388
Maple Leaf Mill.	5½	1	1949	127,063
Matapedia Val. L.	6½	1	1944	10,786
Montreal Coke "A"	5½	1	1947	111,000
Montreal Apts.	7	1	1938	21,542
Mt. Royal Hotel	5½	1	1947	97,900
Nat. Paper Box	6½	1	1936	3,250
N. Que. Pr. "A"	6	1	1945	79,500
N.S. Light & Pr.	5	1	1958	106,612
Ottawa Elec.	5	1	1933	15,625
Power Corp. "A"	5	1	1957	60,367
Quebec Power	5	1	1968	293,390
Ritz Carlton Hotel	5	1	1942	16,187
Riverside Iron	7	1	1947	7,087
Rolland Paper "A"	5½	1	1948	65,848
Shaw Cotton	6	1	1949	23,190
St. Maur. Val. Cot.	6	1	1952	57,519
Standard Clay	6	2	1942	15,327
St. Regis Paper	6½	1	Serial	31,688
Wabasso Cot.	6	1	1947	22,530
Windsor Arms	6½	1	1947	11,375
Windsor Htl. "A"	6	1	1947	30,969
Windsor Htl. S. Ste. Marie	6½	1	1950	10,562
Corporation bonds				10,115,069
Victory Loan	5½	1	1937	5,907,495
Municipal bonds				6,015,777
Provincial bonds				5,114,071
Dominion loans				3,826,296
Total				30,978,708

ROBIN, JONES CO. REGISTER LOSS ON 1933 TRADING

Maritime Trading Firm's Deficit Smaller—Change Capital Surplus

From Our Own Correspondent

MONTREAL.—A loss of $77,052 is reported by Robin, Jones and Whitman Ltd. for the year ended March 31, 1933, compared with a deficit of $89,750 in the previous year. This company operates a general trading and fishing business in Quebec, New Brunswick and Nova Scotia, with the majority of stores located along the Gaspé coast.

The operating loss is attributed to the poor catch of codfish which was only about 70 per cent of a normal year; the consequent continued short sales of general merchandise; the inability of many of the company's customers to pay their accounts; and the prevailing low prices for dried fish in the world's markets.

Draw On Surplus

In order to provide for the loss on the year's operations it was necessary to appropriate $70,000 from surplus to current account. The surplus capital surplus account—now called a "reserve" account—stands at $80,000. In 1932 the deficit of $89,750 was taken care of by transferring $100,000 from capital surplus to income account, making a total of $101,278. After providing for the loss, a balance of $11,528 was shown. From the latter figure a further deduction of $7,702 is made on account of 1933 operations, leaving a balance in the profit and loss account of $4,946.

Change Stock Value

At the annual meeting of the company shareholders will be asked to vote on a proposal to change the present $100 par value common stock to no par value shares and to revalue the stock on the books of the company at $20 a share. The 80 per cent depreciation in the present book value of the common shares, amounting to $450,240, will will be used to write down the real estate and plant of the company to figures more in line with their present value.

It is also proposed to ask the shareholders' approval to a motion changing the financial year of the company from March 31 to February 28 or 29 as the case may be.

TUCKETT SHOWS FIRST SETBACK IN SEVEN YEARS

Pays 32 p.c. in Common Dividends to Imperial Tobacco

For the first time since 1926 a reduction in net profit is shown for Tuckett Tobacco Co. Net profit of $496,980 in the year ended March 31, 1933, compares with net profit of $732,945 in the preceding year and is smaller than in any year since 1929. Dividend on the preferred shares was earned 3.55 times but surplus was reduced through payment of a dividend of 32 per cent on the common shares. All common shares are held by Imperial Tobacco Co. While working capital was reduced the ratio of current assets to current liabilities was increased and a strong cash position was maintained.

INCOME AND SURPLUS ACCOUNT
Years Ended March 31

	1933 $	1932 $
Net profits*	496,908	732,945
Less appropriations:		
Pref. dividends	140,000	140,000
Ord. dividends	800,000	300,000
Surplus for year	†443,092	292,945
Add: Prev. surplus	2,469,643	2,176,698
Bal. carried forward	2,026,551	2,469,643

*After providing for taxes and depreciation. †Deficit.

Change in the balance sheet due to transfer of certain assets and reserves to a subsidiary company, Tuckett Ltd., makes comparison with figures of previous years impossible, since changes affect real estate, inventories, receivables and reserves. A new item "investments in subsidiary and associated companies," amounting to $1,327,602, offsets these transfers.

Working Capital

	1933 $	1932 $
Current assets	2,808,367	4,466,700
Current liabilities	264,298	450,223
Working capital	2,544,069	4,016,477
Ratio	10.62—1	9.92—1

Real estate, buildings, machinery, etc., are down to $1,045,632 from $1,582,869. Goodwill and trademarks remain unchanged at $2,478,672. Reserve for buildings and machinery is down to $872,931 from $1,061,149; contingent reserve remains at $20,000. There remains outstanding 20,000 shares of $100 par value 7 per cent preferred stock, on which dividends have been paid regularly since 1913, and 25,000 shares of common stock. Surplus, as shown above, is down to $2,026,551 from $2,469,643.

For information as to how a complete analysis of this company can be obtained see page 2.

COMMERCIAL LIFE IMPROVES SURPLUS

Results For 1933 Favorable Says General Manager

An increase in new business paid for in 1932 and in free surplus is shown in the annual report of Commercial Life Assurance Co. of Edmonton for 1932.

New business paid for in 1932 was $1,443,000 as compared with $1,159,000 the previous year. Total business in force is lower at $10,110,000 against $10,527,000 at the end of 1931. Both premium and total income were higher during the year.

Policy reserves are increased to $1,414,500 while an additional $15,000 has been set aside as reserve for deferred dividend policies. This reserve now stands at $25,000. In addition to paid up capital of $145,862 the company has a free surplus over all liabilities of $84,000—an increase during the year of $46,000. Total assets are higher at $1,803,000, the company's bonds, stocks and debentures being taken in at allowed Government values.

According to information given The Financial Post by J. W. Glenwright, general manager, the company's experience in 1933 has been very favorable and a further increase in surplus funds is being achieved. Mortality to date is below 50 per cent of similar experience in the same period of 1932.

Comparative figures follow:

	1932 $	1931 $
Premium income	315,288	341,909
Total income	447,789	440,266
New business paid for	1,442,841	1,159,000
Ins. in force	10,110,380	10,527,083
Policy reserves	1,414,507	1,343,184
Free surplus	84,041	38,814
Paid up capital	145,862	145,252
Total assets	1,802,927	1,691,140

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING MAY 29

Range 1933 High	Low	Divd. Rate in $	Yield in % May 27		Sales	Close May 20 (or last)	Week Ending May 29 High	Low	Close
				A					
.50	.12	.	...	Abitibi	115	.25	.25	.25	.25
3½	1	.	...	Do. pref. 6%	614	1¼	3½	1¼	3½
x80	80	7	...	Acme F. D'y p	....	..	..	..	..
x5	4½	.	...	Agnew Surp.	....	..	..	..	..
60	60	7	11.7	Do. pref.	....	60	..	..	..
9½	3½	.	...	Alta. Pac. Gr.	25	9	8	8	8
32	20	.	...	Do. pref.	45	30	30	30	30
x3½	1½	.	...	Amal. Electric	....	..	..	..	..
9	2	.	...	Do. pref.	....	9	..	..	..
†3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
.25	.15	.	...	Asbestos	15	.25	.25	.25	.25
.60	.50	.	...	Do. pref.	....	.60	..	..	..
8¼	3¾	.	...	Assoc. Brew.	295	7¾	8	7½	7¾
72	65	7	10.8	Do. pref.	....	65	..	..	..
x3	3	.	...	Assoc. Can.	....	..	..	..	..
†69	65	.	...	Assoc. Tele.	....	..	..	..	..
				B					
130	127	10	7.7	Bk. Can. Nat.	32	128	130	129½	130
191	150	8	4.2	Bk. Montreal	503	179½	191	180	191
265	228	12	4.9	Bk. N. Scotia	149	236	242	235	242
172	151	10	5.9	Bk. Toronto	131	165	172	164	172
14	10	.	...	Barcelona	5	14	12	12	12
2¼	1	.	...	Bathurst Pr.	200	2	2¼	2	2
x1½	1½	.	...	Do. (B)	....	..	..	..	..
†26	26	.	...	Bawlf Grain	....	..	..	..	..
20	20	.	...	Do. pref.	....	20	..	..	..
5	3	.	...	Beath & Sons	30	3	5	5	5
7	3½	.	...	Beatty Bros. A	....	7	..	..	..
[illegible]									
8	4½	50c	8	Hunt (A)	15	5	6½	6	6
5	5	50c	10	Do. (B)	....	5	..	..	..
102	77	7	8.9	Huron & E. Mt.	32	77½	80	78	78
18	12¾	.	...	Do. 20% pd.	437	13	13	12¾	12¾
7½	6	.	...	Hydro Electric	50	7½	7	7	7
				I					
158	123	10	6.9	Imperial Bank	60	143	149	142	149
13¼	7¾	50c	3.8	Imperial Oil	49253	11¼	13¼	11½	13¼
10	7	35c*	3.6	Imperial Tob.	4072	9¾	9¾	9½	9¾
†80	80	8	...	Inter. Coal, p.	....	..	..	..	..
b7½	2½	.	...	Int. Hyd. E. A.	22300	6¾	7½	6	7½
102½	98	7	6.8	Inter. Mill., pf.	10	102½	102	102	102
85½	84	6	7	Do. Series A.	....	85½	..	..	..
17.30	8.00	.	...	Inter. Nickel	117926	15.30	17.30	15.00	17.05
x4	4	.	...	Inter. Paints	....	..	..	..	..
b3½	½	.	...	Int. Pa & Pr A	1700	3	3½	2¾	3
b1¾	½	.	...	Do. (B)	4500	1¼	1½	1	1½
b1½	½	.	...	Do. (C)	12500	1¼	1½	⅞	⅞
b9¾	2	.	...	Do. pref.	8600	8¾	9	7¾	7¾
15¾	10¾	1	6.5	Inter. Pete.	15093	14¾	15¾	14½	15¾
x2½	2½	.	...	Inter. Power	....	..	..	..	..
12½	8	.	...	Do. pref.	....	10	..	..	..
10	5¾	.	...	Int. Util. (A)	295	7½	10	7½	9½
2¼	1	.	...	Do. (B)	585	1¾	2¼	2	2¼
				J					
†40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
78	70	7	8.9	Do. pref.	....	78	..	..	..
[illegible]									
18¾	4	.	...	Walker-Good.	109908	12¾	18¾	12¾	18¾
15½	9½	1	6.7	Do. pref.	20600	14½	15¾	13¾	14¾
3½	1½	.	...	Waterloo Mfg.	270	3	3½	3	3½
x80	75	7	...	W. Koot. Pr. p	....	..	..	..	..
8¼	4	.	...	West. C. Flour	....	7	..	..	..
55	45	3	6	Do. pref.	....	50	..	..	..
20	8	.	...	West. Grocers	....	20	..	..	..
75	54	7	9.3	Do. pref.	....	75	..	..	..
†91	85	.	...	W. Steel Pr. p	....	..	..	..	..
23	16½	1	4.5	Weston Bisc.	140	21	23	21½	23
71½	67	7	9.8	Do. pref.	....	71	..	..	..
3	3	.	...	Windsor Hotel	12	3	3	3	3
12	5	.	...	Do. pref.	25	5	12	5	12
3¼	1	.	...	Winnipeg Elec.	2370	2¾	2¾	2½	2¾
8	3½	.	...	Do. pref.	15	7	8	8	8
†46	46	.	...	Woods Mfg. p.	....	..	..	..	..
				Z					
x1	1	.	...	Zimmerknit, c.	....	..	..	..	..

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
▲ Stock dividend.
♦ On account of arrears covering 6 months ended Dec. 31, 1932.
* Plus final dividend of 17½c. paid Mar. 31.
■ Covers payment due Jan. 3 last and deferred; paid Mar. 15, 1933.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass pref.	7%	1¾%	July 3	June 15
Andian National	$2	$1	June 15	June 5
B. C. Power "A"	$2	50c	July 15	June 30
Belding Corticelli, pfd.	7%	1¾%	June 15	May 31
Bank of Nova Scotia	12%	3%	July 3	June 15
Brazilian Traction, pref.	6%	1½%	July 3	June 15
Can. For. Invest. pref.	$8	‡$4	June 18	June 1
Can. Canners 1st pfd.	6%	1½%	July 3	June 15
Do., 2nd pfd.	20c	5c	July 3	June 15
Can. Perm. Mortgage	10%	2½%	July 3	June 15
Canadian Car, pref.	$1.75	44c	July 10	June 26
Can. Cottons, pref.	6%	1½%	July 4	June 17
Canadian Oil pref.	8%	2%	July 1	June 20
Cons. Diversified Std. Secs. 1st pfd.	...	25c	June 15	May 15
Canada Malting	$1.50	37½c	June 15	May 31
Dominion Glass	$5	$1.25	July 3	June 15
Do., pref.	$7	$1.75	July 3	June 15
Dominion Bank	10%	2½%	July 3	June 20
Dome Mines	$1	25c	July 20	June 30
Do., extra	...	25c	July 20	June 30
Dominion Textile	$4	$1	July 3	July 15
Do., pref.	7%	1¾%	July 15	June 30
Dominion Stores	$1.20	30c	July 3	June 15
Falconbridge Nickel	...	10c	June 30	June 15
Goodyear Tire	$2.40	60c	July 3	June 15
Do., pref.	$7	$1.75	July 3	June 15
Ham. Un. Theatres, pfd.	$7	$1.75	June 30	May 31
Hollinger Gold	65c	5c	June 17	June 2
Inter Petroleum (No. 37)	$1.12	*28c	June 15	May 31
Do., pref.	$1.12	*28c	June 15	May 31
Internat'l Proprietaries "A"	$2.60	65c.	June 15	May 25
Imperial Tobacco	7%	1¾%	June 30	May 31
Lake Shore Mines	$2	50c	June 15	June 1
Do., extra	...	50c	June 15	June 1
Landed Bkg. & Loan	6%	1½%	July 3	June 15
McColl-Frontenac, c.	60c	15c	June 15	May 15
Montreal Loan & Mtge.	$3	75c.	June 15	May 31
Montreal Cottons pfd.	7%	1¾%	June 15	May 31
National Biscuit, c.	$2.80	70c	July 15	June 16
Nat. Sewer Pipe "A"	$2.40	60c	June 15	May 31
National Breweries	$1.60	40c	July 3	June 15
Do., pref.	$1.75	44c	July 3	June 15
Page-Hersey	$3	75c	July 1	June 20
Do., pref.	7%	1¾%	July 1	June 20
Pioneer Gold (B.C.)	60c	15c	July 3	June 10
Reliance Grain pref.	6½%	1⅝%	June 15	May 31
Southern Can. Power pfd.	6%	1½%	July 15	June 20
Sylvanite Gold	4%	2%	June 30	May 31
Do., extra	...	½%	June 30	May 31
Thrift Stores	...	†10c	July 1	June 20
Tuckett Tobacco, pref.	7%	1¾%	July 15	June 30
Walker, Hiram G., pref.	$1	25c	June 15	May 27

†Initial.
*Previously paid 25c. per share in U. S. funds.
‡Paid on account of arrears covering 6 months end. Dec. 31, 1932.

Dividends Passed or Deferred:
Great Lakes Power, pref. June 15 deferred. Last paid $1.75 March 15, 1933.

Dividend Rate Increased:
Pioneer Gold (B.C.) July 3, 24c to 60c per annum.

Dividend Rate Reduced:
Bk. of Nova Scotia, July 3, 14% to 12% per annum.

Extra Dividends:
Dome Mines, July 20 25c.
Sylvanite Gold, June 30, ½%.

Listed Bond Quotations

Week Ending May 29

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Low
Abitibi, 1st mtge.§	5	1953	...	18½	...	...	18	13
Asbestos	5	1942	...	21	...	...	*65½	49
Asbestos, 1st mtge.	6	1941	...	5½	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	62	...
Can. Cottons	5	1940	8.11	...	...	...	84¾	...
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	19¾	19¾
Can. Pr. (Laur.)	5½	1958	...	†5	...	...	*7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	68	...	...	*83½	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	2.00	2.50	2.25	2.50	1.00
Mex. L. & Pr.	5	1940	...	55	...	...	*73½	70½
Mtl. L.H.&Pr. debs.	3	1939	...	44½	44½	44	44½	39¾
Mont. Tr. 1st mtg.§	5	1941	5.70	...	...	...	98¾	95½
Mont. Trams. "A"§	5	1955	7.83	...	...	...	77¾	58
Do., G. & Ref "B"	5	1955	7.47	...	...	...	73½	...
Do., "C"	4½	1955	9.03	...	...	...	57	57
Do., "D"	5	1955	7.14	...	...	...	77¾	76½
N. S. Steel	5	1959	...	†78	...	...	*62¾	59
Ontario Steel	6	1943	...	...	...	...	80	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	103	...	...	*102½	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	...	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	111.00	....	....	116.25	114.25
Victory Loan	5½	1933	4.25	100.00	....	....	100.75	100.00
Do.	5½	1934	4.03	101.50	....	....	102.60	101.35
Do.	5½	1937	3.26	109.25	....	....	110.25	109.25
Do., refund	4½	1940	4.38	100.75	....	....	101.25	99.70
Do., refund	5	1943	4.46	104.00	....	....	103.37	101.85
Do., refund	4½	1944	4.41	100.75	....	....	99.75	98.75
Do., refund	4½	1946	4.37	100.75	....	....	*92.25	91.50
Do., renewal	4	1952	4.51	....	....	....	93.50	91.63
Conversion Loan	4½	1956	4.11	....	....	....	98.50	97.00
Do.	4½	1957	4.78	98.25	....	....	98.25	96.00
Do.	4½	1958	4.58	99.25	....	....	99.37	97.75
Do.	4½	1959	4.64	100.00	....	....	100.15	97.50
Nat. Service Loan	5	1936	4.00	102.75	103.00	102.00	103.25	101.50
Do.	5	1941	4.38	103.85	....	....	103.75	100.75
Dom. Loan	4	1935	3.80	99.75	....	....	99.75	99.75

†Latest ask ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

May 30, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1968	1 Oct.	87.00	5.45
Alberta	5	1 July, 1943	1 July	94.00	5.76
Alberta	6	1 Mar., 1947	1 Sept.	100.50	5.95
*British Columbia	4½	1 Oct., 1953	1 Oct.	88.00	5.48
*British Columbia	5	15 Jan., 1948	15 July	95.00	5.49
British Columbia	6	15 Feb., 1947	15 Aug.	101.00	5.90
Manitoba	4	1 July, 1947	1 July	82.00	5.85
*Manitoba	5	2 Dec., 1959	2 June	93.00	5.50
Manitoba	6	1 Apr., 1947	1 Oct.	99.50	6.05
*New Brunswick	4	1 June, 1948	1 June	92.00	4.75
*New Brunswick	4½	15 June, 1936	15 June	100.00	4.75
New Brunswick	5½	1 May, 1950	1 Nov.	103.50	5.19
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	99.00	4.59
Nova Scotia	5	1 May, 1943	1 Nov.	101.00	4.87
*Ontario	4½	1 Sept., 1944	1 Sept.	102.00	4.28
Ontario	5	15 Oct., 1948	15 Oct.	104.00	4.64
Ontario	5½	1 Feb., 1947	1 Aug.	107.50	4.76
P. E. I.	4	1 Apr., 1939	1 Oct.	95.60	4.85
P. E. I.	6	1 May, 1947	1 Nov.	111.05	4.90
*Quebec	4½	1 May, 1961	1 Nov.	101.00	4.19
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	86.00	5.60
*Saskatchewan	5	1 Nov., 1959	1 Nov.	92.50	5.54
Saskatchewan	6	15 Mar., 1952	15 Sept.	99.00	6.09
*Newfoundland	5	31 Dec., 1952	30 June	75.00	7.41
*Newfoundland	5½	1 July, 1989	1 July	78.00	10.20
*Newfoundland	6½	30 June, 1936	30 June	88.00	11.30
Cities					
*Montreal	5	1 Sept., 1963	1 Sept.	103.19	4.80
*Toronto	4½	1 Jan., 1955	1 July	97.95	4.65
*Vancouver	5	15 Jan., 1970	15 July	88.56	5.75
Winnipeg	5	1 Mar., 1944	1 Sept.	92.00	6.00
*Edmonton	5½	1 Apr., 1947	1 Oct.	93.07	6.25
Calgary	5	1 Jan., 1943	1 July	82.60	7.50
Halifax	6	1 July, 1951	1 July	110.70	5.10
Saint John	5	15 Dec., 1950	15 June	98.28	5.15
Regina	4½	1 July, 1950	1 July	75.00	7.00
Victoria	5	21 July, 1945	21 July	89.25	6.25
Quebec	5	1 June, 1948	1 June	101.00	4.90

*Payable in New York.

Winnipeg Stock Exchange

(Transactions for week to May 27)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close May 27
..	..	Associated Brew. c.	15	8	8	8
4	..	Canadian Fire	101	50	50	50
80c	6.1	Brit Amer. Oil	15	13	11½	13
..	..	Eldorado	50	1.56	1.56	1.56
9c	..	Group Income Shares	100	4	4	4
..	..	Central Manitoba	3,000	.11	.10½	.11
..	..	Hudson Bay Mining	10	8.10	8.10	8.10
50c	3.8	Imperial Oil	20	13	12½	13
..	..	International Nickel	30	16.75	16.50	16.50
60c	5.1	McColl-Frontenac, c.	25	11⅞	11⅞	11⅞
60c	5.2	Pioneer Mines	20	11.50	11.50	11.50
..	..	Reliance Grain, c.	15	6½	6½	6½
..	..	San Antonio	1,356	1.17	1.07	1.17
..	..	Trader's Building	10	65	65	65
1.25	10	United Grain	11	12½	12½	12½
..	..	Winnipeg Elec., pfd.	5	9	9	9

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumber pf.	..	65	Pelissiers, pref.	10	15
Beaver Fire	..	100	Northern Trust	..	19
City Dairy 7% pf.	..	35	West. Breweries	1	..
City Dairy 8% pf	..	40	Reliance Grain pfd.	50	..
Great West Life	240	..	Can. Amer. Tr. shs.	..	3½
Nor. Mtg. part pd.	..	5	Fundamental Ser. A	..	4½
Pelissiers, com.	½	1	Fundamental Ser. B	..	4½

*Stocks more active on other exchanges not included.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotaiton giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
May 30, 1933

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.85	1.25
Acadia Sugar 6% pfd.	3.50	4.10
Acme Farmers Dairy 7% pfd.	58.00	....
Acme Glove pfd. bonus c.	8.25	11.00
Agnew Surpass 7% pfd.	60.50	65.00
Allens London 7% pfd. bonus c.	31.50	....
Allens St. Cath. 7% pfd. bonus c.	31.50	....
Allens Toronto 7% pfd. bonus c.	19.50	....
Andian Nat. Corp.	26.00	....
Atlantic Sugar "A" pfd.	82.00	86.00
B.C. Pulp & Paper pfd.	5.25	9.00
Burns pfd. bonus com.	4.50	6.00
Canada & Dom. Sugar	33.00	....
Canada Mach. c.	3.50	6.25
Canada Mach. pfd.	19.25	....
Canada Pack. c.	27.00	30.00
Canada Pack. pfd.	97.00	100.00
Canada Starch 7% pfd.	61.00	68.00
Canada Tea 7% pfd.	....	49.00
Canada Wire & Cable 6½% pfd. W.W.	49.00	53.00
Can. Industries c. "A"	91.00	....
Can. Industries c. "B"	90.00	....
Can. Industries 7% pfd.	125.00	....
Can. Westing.	43.00	46.00
A. W. Chase pfd. bonus c.	10.00	14.00
Dodge Mfg. "A" pfd.	6.75	....
Dom. Foundries & Steel 8% pfd.	....	55.50
Dom. Foundries & Steel c.	2.75	4.00
Dom. Mfrs. 7% pf.	67.00	....
Dunlop Tire 7% pfd.	39.00	44.00
Eastern Dairies Ltd. 7% pfd.	....	46.00
Edmonton Stockyards Units	38.50	52.00
Federal Grain 6½% pfd.	26.50	32.00
A. J. Freiman pfd.	47.00	....
Gen. Steel Wares pfd.	10.00	13.00
Goderich Elevator & Transit	5.50	6.75
Greening Wire 7% pfd.	....	55.00
Guelph Carpet 6½% pfd. bonus	63.00	70.00
Guelph Carpet c.	4.50	....
Inter City Bak. c.	6.00	13.00
Inter. Proprietaries "A"	22.75	23.50
Langley's Ltd. 7% pfd.	20.00	23.50
Loew's London c.	.55	1.00
Loew's London 7% pfd.	3.65	4.25
Loew's Toronto c.	4.25	....
Loew's Toronto 7% pfd.	....	62.00
Massey-Harris 5% pfd.	22.00	23.50
Medical Arts pfd. bonus c.	97.00	....
Melchers Distilleries "A"	4.60	....
Mount Royal Hotel com.	.40	.70
Mount Royal Hotel 6% pfd.	3.30	4.25
Nat. Grocers c.	1.00	1.35
Nat. Grocers 7% 2nd pfd.	51.00	....
Paramount Kitchener pfd.	29.00	....
Paramount Oshawa pfd.	28.50	....
Paramount Oshawa com.	2.25	....
Provincial Paper 7% pfd.	39.00	43.00
Reliance Grain 6½% pfd.	50.00	....
Rolland Paper 6% pfd. W.W.	26.00	29.00
Standard Clay Products c.	....	15.25
Standard Fuel 6½% pfd. bonus	59.00	....
Stop & Shop Ltd. com.	3.00	....

Ind. Stock cont'd.	Bid	Asked
Supersilk pfd. bonus	25.25	30.00
Supertest Petroleum "B"	17.75	20.50
Federal Grain c.	2.50	....
Toronto Elevators 7% pfd.	86.00	89.00
Toronto Housing	15.50	....
Un. Grain Grow.	13.00	....
Western Grain 6½% pfd. bonus	16.00	18.50
Western Groc. pfd.	63.00	80.00
Insurance Stocks:		
Br. Amer. Assce.	20.00	....
Canada Life Ass.	376.00	390.00
Can. Fire Ins.	50.00	55.00
Confederation Life 20% pd.	116.00	125.00
Continental Life 20% pd.	38.00	44.00
Crown Life Ins.	90.00	110.00
Dom. Fire Ins.	83.00	....
Dom. Life 50% pd.	135.00	....
Dom. of Can. Gen. Ins.	90.00	100.00
Empire Life 25% pd.	9.00	12.00
Excelsior Life 30% pd.	68.00	....
Fidelity Ins. Co.	47.50	....
Great West Life Assce.	245.00	....
Guarantee Co. of N. A.	242.00	....
Imperial Life	261.00	272.00
Mfrs. Life Ins.	231.50	250.00
Monarch Life 10% pd.	14.75	18.00
National Life 25% pd.	55.00	65.00
Saskatchewan Life 10% pd.	....	13.00
Sovereign Life 25% pd.	14.50	18.00
Sun Life Assur.	400.00	....
Western Assur. c.	14.50	18.00
Western Life 20% pd.	8.00	11.50
Trust & Loan Stocks:		
Br. Mtg. & Trust	150.00	160.00
Can. Gen. Invest. Ltd.	4.25	....
Chartered Trust	51.50	....
Debenture & Sec. 5% pfd.	12.00	19.00
Eastern Can. Sav. & Loan	108.50	115.00
Eastern Trust	130.00	145.00
Guelph & Ont. Inv. par $50	48.50	51.50
Investment Foundation Units	21.50	....
Lambton Loan & Savings	50.00	60.00
London & Western Trust	47.50	52.00
Mtge. Disc. pfd.	1.50	2.00
Premier Trust	76.00	85.00
Provincial Bank	84.00	90.00
Security Loan & Savings	98.50	....
Sherbrooke Trust	100.00	111.00
Sterling Trust	....	45.00
Traders Fin. c.	.35	....
Traders Fin. 7% "A" pfd.	19.50	22.50
Trusts & Guar.	29.00	32.50
Victoria Trust & Savings	130.00	140.00
Waterloo Trust & Savings	90.00	101.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	92.00	95.00
Calgary Power 6% pfd.	72.50	....
Can. Light & Pwr. com.	21.00	25.00
Can. West. Nat. Gas LH&P c.	23.00	....
Can. West. Nat. Gas LH&P pfd.	75.00	....
Maritime Tel. & Tel. c.	7.05	7.75
Maritime Tel. & Tel. 7% pfd.	9.65	10.75
N.B. Telephone c.	6.10	7.50
Nor. Ont. Pwr. c.	10.00	....
Nova Scotia L&P 6% pfd.	68.00	75.00
Recent London Quotations:		
Brewers & Distillers		4s. 9d.
Can. & For. Secs.		3s. 6d.
Can. West. Lumber		9d.
Hudson's Bay		21s. 3d.
Do., 5% pref.		77s. 6d.
Internat. Holdings		$1½
Nfld. Pr. & Pap. deb. stock "B"		90½
Trust & Loan of Can.		6d

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
May 30, 1933

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	19.50	21.00
Acadia Sugar 6% 1946	90.00	....
Alta. Pac. Grain 6% 1946	84.00	....
American Sales Book 6% 1939	105.00	....
Arnold Bros. 6% 1947	49.00	....
B. A. Oil 5% 1945	93.00	95.00
Can. Biscuit 6½% 1946	19.00	....
Can. Bread 6% 1941	89.50	....
Can. Cement 5½% 1947	77.00	80.00
Can. Steamship 6% 1941	25.50	27.50
Can. Bakeries 6½% 1945	50.00	....
Can. Canners 6% 1950	83.00	....
Can. Copper Refin. 6% 1945	105.50	....
Can. Cottons 5% 1940	83.00	....
Can. Vickers 6% 1947	59.00	61.00
Cons. Invest. 4½% 1959	36.00	....
Cosmos Imp. Mills 6½% 1944	83.00	....
Davies, Wm. 6% 1942	90.00	....
Debenture & Sec. 4% 1936	53.00	56.00
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	67.00	....
Dom. Telegraph 5½% 1978 "A"	86.00	89.50
Dom. Textile 6% 1949	99.00	101.00
Dom. Woollens 6% 1948	17.00	....
Donnacona Paper 5½% 1948	17.50	....
Eaton Realty 5% 1949	81.00	84.00
Famous Players 6% 1948	69.00	....
Federal Grain 6% 1949	83.50	85.00
Firestone Tire 7% 1937	110.00	....
Fraser Cos. 6% 1932	8.00	10.00
Fraser Cos. 6% 1950	8.00	10.00
Galt Brass 7½% 1941	....	25.00
Goodyear Cotton 6% 1949	99.00	103.00
Great Lakes Paper 6% 1950	25.00	27.50
Gypsum, Lime & Alab. 5½% 1948	35.00	37.00
Harris Abattoir 6% 1947	90.00	....
Howard Smith 5½% 1953	72.00	74.00
Loew's Toronto 6% Serial	100.00	....
London Realty 6½% 1950	38.00	....
Maple Leaf Milling 5½% 1949	43.00	....
Massey-Harris 5% 1947	67.00	70.00
McColl-Frontenac 6% 1949	92.50	95.00
McKinnon Industries 6½% 1945	94.00	....
Mercury Mills 5½% 1953	35.00	....
Metropolitan Bldg. 7% 1944	83.00	86.00
Northern Ontario Bldg. 6½% 1939	60.00	63.00
Price Bros 6% 1943	42.00	....
Richmond Bay 6½% 1947	58.00	....
Simpsons Ltd. 5½% 1949	70.00	....
Simpsons Ltd. 6% 1949	76.00	78.00
Steel of Canada 6% 1940	103.00	105.50
Toronto Carpet 6% 1944	78.00	82.00
United Gas & Fuel 5½% 1948	58.00	63.00
United Grain Growers 5% 1948	81.00	....
United Grain Growers 5½% 1949	85.00	....
Wabasso Cotton 7% 1942	63.00	....
Western Grain 6% 1949	72.00	....
Public Utility Bonds:		
Bell Telephone 5% 1955	106.00	108.00
Bell Telephone 5% 1957	105.50	107.50
B. C. Power 5½% 1960	85.50	88.00
B. C. Telephone 5% 1960	91.50	93.00
Calgary Power 5% 1960	82.00	84.50
Can. Northern Pwr. 5% 1953	79.00	82.00
Duke Price Pwr. 6% 1966	78.50	81.00
French Nat'l. Mail S.S. 6% 1952	122.00	....
Gatineau Pwr. 6% 1941, "A"	68.50	70.00
Gatineau Pwr. 5% 1956	80.00	81.50
Maclaren Quebec 5½% 1961	79.00	81.00
Manitoba Power 5½% 1951	39.00	41.00
Montreal Isl. Pwr. 5½% 1957	93.50	95.00
Montreal LH&P 5% 1951	103.50	105.50
Montreal LH&P 5% 1970	100.50	102.50
Montreal Tram 5% 1941 July	96.00	98.00
Montreal Tram 5% 1955	75.00	77.50
Northwest. Utilities 7% 1938	95.00	....
Ottawa Valley Pwr. 5½% 1970	96.00	97.50
Quebec Power 5% 1968	88.00	91.00
Rio Tramways 5% 1935	96.00	99.00
Shawinigan W&P 4½% 1970	69.00	72.00
Shawinigan W & P 5% 1970	76.50	78.50
Shawinigan W&P 6% 1937	92.00	94.00
Southern Can. Pwr. 5% 1955	97.00	99.00
West Kootenay Pwr. 5% 1956	92.00	94.00
Government, Provincial & Railway:		
C. N. R. 4½% 1951 Dom. Gtd.	99.00	100.50
C. N. R. 4½% 1957 Dom. Gtd.	99.00	100.50
C. N. R. 5% 1969 Dom. Gtd.	104.00	105.50
C. P. R. 4½% 1944	80.00	82.00
C. P. R. 6% 1942	99.00	101.00
Dom. of Can. 5% 1936	102.00	103.50
Dom. of Can. 5% 1941	103.50	104.50
G. T. P. 3% 1962 Dom. Gtd.	80.00	81.50
G. T. P. 4% 1962 Dom. Gtd.	92.50	94.50
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	91.00	93.00
Ont. Hydro 4½% 1970 Ont. Gtd.	99.00	100.50
Ont. Hydro 4% 1957 Ont. Gtd.	91.00	93.00
Prov. of N. B. 5% 1957	99.00	100.50
Prov. of Ont. 5½% 1947	106.00	107.75
Prov. of Ont. 5% 1948	103.00	104.25
Prov. of Ont. 5½% 1946	106.00	107.50

DIVIDEND NOTICES

Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT for the current quarter, being at the rate of

Ten Per Cent Per Annum

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

Monday, the Third Day of July

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1933.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, May 17th, 1933.

Canadian Car & Foundry Company, Limited

Dividend Notice—Preference Stock

Notice is hereby given that a dividend of forty-four cents (44c) per share on the paid-up Preference Stock of the Company for the quarter ending June 30th, 1933, has been declared, payable on the 10th day of July, 1933, to Shareholders of record on the 26th day of June, 1933.

By order of the Board,

A. C. BOURNE, Secretary.

Montreal, May 29th, 1933.

DIVIDEND NUMBER 241

Hollinger Consolidated Gold Mines, Limited

A regular Dividend of 1% has been declared on the Capital Stock of the Company, payable on the 17th day of June, 1933, on which date cheques will be mailed to Shareholders of record at the close of business on the 2nd day of June, 1933.

Dated the 26th day of May, 1933.

I. McIVOR, Assistant-Treasurer.

The Ontario Loan and Debenture Company

184th DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of 3 per cent for the current Quarter ending 30th June, 1933 (being at the rate of 12 per cent per annum), has been declared on the paid-up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 3rd July, 1933, to Shareholders of record of the 15th June, 1933.

By Order of the Board.

T. H. MAIN, Manager.

London, Ontario, 30th May, 1933.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1933, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 3rd day of July, 1933, to shareholders of record of the 20th June, 1933.

By Order of the Board.

Dudley Dawson, General Manager.

Toronto, 18th May, 1933.

Dominion Glass Company Limited

Notice of Dividends

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June, 1933.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June 1933.

The above Dividends are payable on Monday, the 3rd day of July, 1933, to Shareholders of record at the close of business Thursday, the 15th day of June, 1933.

By Order of the Board.

MERVYN OFFER, Secretary.

Montreal, 23rd May, 1933.

NOTICES

The Ontario Municipal Board

Notice is hereby given that the Municipality of the Town of Essex has become subject to the provisions of Part VI of "The Ontario Municipal Board Act, 1932," by an order of "The Ontario Municipal Board" bearing date the 17th day of May, 1933, and from and after the first publication of this Notice in the "Ontario Gazette," all actions or proceedings against the said Municipality are stayed, and thereafter no action or other proceeding against the said Municipality shall be commenced or continued, nor shall a levy be made under a Writ of Execution against it without leave of The Ontario Municipal Board.

Dated this 17th day of May, A.D. 1933.

H. C. SMALL, Secretary, The Ontario Municipal Board.

C. R. McKEOWN, Chairman.

Canadian Foreign Invest. Sinking Fund is Modified

From Our Own Correspondent

MONTREAL. — Modification of the redemption features of the preferred stock, whereby the company will not be called upon to provide annual sinking fund amounting to $40,000 was approved by the shareholders of Canadian Foreign Investment Corp.

Under this arrangement the company will not have the right to purchase preferred stock in the open market for sinking fund purposes as long as the dividend is in arrears. The dividend is now $2 a share in arrears as compared with $8 a share on January 1, following the declaration by directors of a dividend of $4 a share for the six months ended December 31, 1932, payable June 15 to shareholders of record June 1. Two $2 dividends were declared earlier in the year.

U. S. EXTENDS DUTIES AGAINST COPPER, TIMBER

Ottawa Disappointed But Still Hopes for Reciprocity Pact

From Our Own Correspondent

OTTAWA—Announcement that President Roosevelt favors the extension of existing import taxes on lumber and copper for one year, came as a surprise and rude shock to government circles at Ottawa. But while there is deep disappointment with regard to the lumber duties, there is no disposition here to regard Roosevelt's action as indicating any change in attitude toward a reciprocity treaty.

It is believed that a trade pact must stand on its own feet and be arrived at as a result of direct negotiations and without particular reference to the tariff and import duty set up in either country. Thus, the decision to continue the taxes on lumber and copper for an additional year is not held to mean that President Roosevelt will not grant substantial concessions in a trade treaty.

Hard to Negotiate

But a reciprocity treaty, admittedly, may take a very considerable time to negotiate and a still longer period to be ratified at Washington and Ottawa. And, meantime, the Canadian Government was buoyed up by the hope that the special taxes against Canadian exports of lumber and copper would lapse on July 1, 1934. Now it looks as if these taxes would run until July 1, 1935.

With respect to lumber the decision is particularly disheartening. It is true that Premier Bennett asked for concessions on copper at the recent treaty discussions, but the United States copper market is not believed to be vitally necessary to the well being of Canadian producers. The United States is a large copper producer and exporter and world copper prices prevail in that country. As a market, therefore, it is not nearly as attractive to Canada as the British market, where the Anglo-Canadian treaty gives this country a substantial preference.

The reason why Mr. Bennett sought a concession on copper in the United States market has puzzled the economic experts of both countries, but it is believed that some Canadian producers might benefit if they were able to ship the crude copper south to refineries rather than to transport it long distances by rail to refineries in Canada.

With regard to lumber, the action taken by President Roosevelt is a severe blow to Canada. The United States tariff on lumber is $1 per thousand, but in 1930 an additional excise tax of $3 per thousand was put on for a period of three years. This tax would have disappeared in 1934 and the United States lumber market would then have been open to Canadian producers.

One explanation of this action may be that President Roosevelt desires to maintain the existing status in order to be in a better position to negotiate with Canada. About all the Canadian Government desires on lumber is a reduction from $4 to $1, and if the excise duty had lapsed during the course of the negotiations, much of the strength of the American position would have disappeared.

SCOTIA POWER EARNINGS HOLD AT 1931 LEVEL

Higher Taxes, Exchange Offset Economies in Operation

Gross earnings of Nova Scotia Light & Power Co. were maintained in 1932 at the average level that has prevailed for the past four years while operating expenditures were further reduced, although taxes were higher. The net result was net operating profit of $562,201 as compared with $545,689 in 1931, but this increase was offset by higher exchange on interest payments and increase in other interest charges. After provision for all fixed charges the company earned $15.95 per share on the 7 per cent preferred stock as compared with $16.42 in 1931. Surplus was reduced by $13,603 in order to meet common dividends of $4 per share.

Most serious reduction in earnings was experienced in the tramway system where passengers carried declined by 10.6 per cent from 1931. Sale of electric light and power was down, while volume of gas sold showed some increase.

Dominion Gov't Drops Tax Idea On Film Rentals

"The Kinematograph Weekly" is authority for the statement that the Dominion Government has decided to drop its proposal to collect a royalty tax of 12½ per cent on rentals of film product coming from the United States, Great Britain and other countries. Col. John A. Cooper, president of the Motion Picture Distributors of Canada, and Henry Nathanson, general manager of Regal Films, went to Ottawa to protest against such a royalty tax and secured an announcement that the plan would be dropped.

The idea of this tax in the first place had been to give the British producer-distributor preferential treatment and then had been extended to cover all foreign films with a view to getting more revenue. The great difficulty in the way of such a tax is that bookings of films do not provide for fixed charges but for a proportion of actual receipts.

Newsprint, Reciprocity Pact May Feel Effects of New U.S. Industry Control Bill

Hailed as "the most revolutionary proposal of our generation" the National Industrial Recovery Act now the law of the United States, contains much that is of major importance to Canada.

First section of this double-barrelled statute, which gives the government extraordinary powers to control the entire industrial field in co-operation with trade associations, is of chief interest to Canada. The second section is only indirectly important to Canada for it concerns the setting up of a colossal $3,300,000,000 public works programme to rout unemployment. The legislation was outlined in "The World at Large" column last week.

Of immediate interest to Canada is the probability that it may delay a reciprocity trade pact between the two countries. Leading U. S. financial newspapers are already suggesting that it sounds the "death-knell" of the trade agreement. Reason given is that the act provides for the extension of the "tariff-tax" provisions of the present revenue laws applicable to oil, copper, lumber and coal. It is pointed out that with the exception of oil, these were key commodities on which Canada sought to base a trade pact. Already under this act the life of the tariff taxes on copper and lumber have been extended a year.

Another important reason for Canada's interest is that not only may it cause an entire revision of opinion in this country as to the place of the government in business; specifically because its provisions may conceivably apply immediately to a situation such as newsprint where a grave industrial crisis affects business on both sides of the border.

Already leading domestic branches of the industry in the U. S. under leadership of American Paper & Pulp Association are preparing to organize. Conceivably the plans may spread to newsprint since many U. S. mills are being put out of business by low prices here in which leading U. S. firms are most active.

Canada's Combines Act

In Canada the traditional policy in respect of government interference in business is summed up in the key section of our Combines Investigation Act which provides machinery or is likely to operate "to the detriment of or against the interest of the public."

Two important criticisms are levied against this act. Firstly, that the phrase "public interest" is too loose (depending as it does on the opinion and investigation of one official) and that it does not offer a clear-cut basis on which to construct such important legislation for investigation if prices to consumers are too high, there is no corresponding legislation to enable industry to gain relief from ruinous price-cutting and other vicious trade practices which have all but wrecked major industries such as newsprint in the past three or four years. And newsprint is not alone. There is hardly a key industry or trade today which does not feel it could improve its earning power if something were done to whip the price-cutter or the "weak seller" into line.

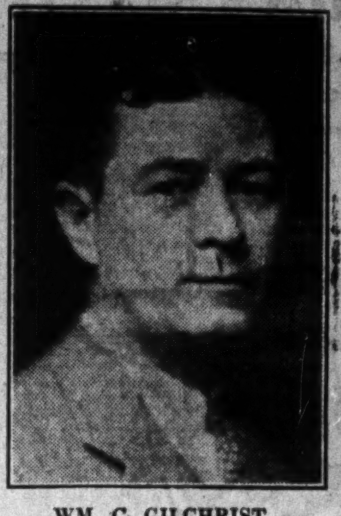
This is where U. S. legislation is important, for, if that country is successful in its sweeping volte face to force industry to co-operate for the common good there is little doubt but that the effect on similar industrial groups in Canada will be considerable and perhaps far-reaching.

Some idea of the importance and awe in which the new legislation is held in U. S. is indicated by the following paragraphs from the current issue of the Kiplinger Service. It says:

"The industrial control bill is considered the most revolutionary proposal of our generation and instead of being for two years will probably be permanent. As to how it will work only conjecture is possible. Under it the business unit will not remain on individual enterprise but must be regarded as an entire trade or industry. Individual enterprise will be curbed and must march as a private soldier with the Government in command. The governmental machinery will be determined mainly by the president. About a dozen key industries will get started under this plan within 30 days and by the end of the year half the country's major industries will be so integrated. The programme has emanated from big business which has been hurt by the competition of small business."

As indicated here, many of the key industries have already lined up behind the plan. "Steel" announced willingness to co-operate at the annual meeting of the American Iron and Steel Institute at New York last week. Twelve major branches of the $2,000,000,000 drug business have organized under the name Drug Institute of America, Inc. Rubber manufacturers have already started to draft a code of trade practices. Paint and varnish and petroleum groups are also reported to be taking steps to act under the new law as are also wholesale grocers.

Join Advertising Agency Board



WM. C. GILCHRIST

CHAS. M. VINING

At a recent meeting of the board of Cockfield, Brown & Co. Ltd., Wm. C. Gilchrist, Toronto, and Charles M. Vining, Montreal, were added to the company's directorate. Mr. Gilchrist joined the company eleven years ago, while Mr. Vining has been with the agency for the past five years. Both are account executives.

HOLDERS PASS B. C. PULP PLAN ON SENIOR BONDS

Give Company More Leeway on Interest and Sinking Fund

From Our Own Correspondent

MONTREAL. — First mortgage bondholders of British Columbia Pulp and Paper Co. approved proposals put forward by the company, whereby 1933 and 1934 interest coupons will be paid when cash is available, with interest at 8 per cent per annum on accrued interest. These coupons must be paid prior to the maturity of the bonds.

The meeting was told that the powers granted to the company may not be used, but that it was deemed expedient to prepare for the contingency. The company, while at present in good liquid position, does the bulk of its business with customers in Japan, and exchange difficulties have caused the company to prepare for any contingency.

At the same meeting the first mortgage bondholders agreed to the proposal to cancel the sinking fund payments due in 1932, 1933 and 1934.

Other Concessions Made

British Columbia Pulp also has outstanding $1,445,400 of general mortgage bonds. On May 16, 1932, the holders of these bonds agreed to the postponement of interest payments due in 1932 and 1933 until November 1, 1934, interest to accrue at 8 per cent on deferred payments. Approval also was given to the cancellation of sinking fund payments due on November 1, 1932, 1933 and 1934.

The financial statement of the company for 1932 indicated an operating loss of $76,206, which was increased to $379,854 after providing for interest payments and taxes. This increased the deficit in the profit and loss account to $522,202.

Mining Stock Quotations

Week Ending May 29

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close May 20 (or last)	High for week	Low for week	Close May 29
1	.05	.03	Abana		.03			
1	.01½	.00½	Aconda		.01			
No	.03	.03	Aldermac		.03			
1	.03½	.01	Alexandria	32,500	.02½	.02½	.02	.02½
No	.05½	.02	Algoma	462,500	.03	.03½	.02	.02½
1	.01	.00½	Algonquin		.00½			
1	.02½	.00½	Amity C.	23,000	.01½	.02½	.01	.02½
No	.37	.10	Amulet	82,655	.22½	.37	.22	.32½
1	.01	.00½	Apex		.00½			
1	.04	.02	Area	15,500	.03	.03½	.03	.03½
No	.04½	.01½	Arno	56,500	.02½	.02½	.02½	.02½
1	1.36	.74	Ashley	700	1.20	1.25	1.15	1.15
1	.14	.02½	Bagamac	10,700	.06½	.07	.06	.07
1	.03	.00½	Baldwin	2,000	.00½	.00½	.00½	.00½
1	.20	.08	Barry Hollinger	67,675	.08½	.11	.08½	.10½
No	1.90	.75	Base Metals	27,125	1.61	1.90	1.55	1.90
No	1.00	.98	Beattie		.98			
1	.40½	.08	Big Missouri	129,400	.22	.40½	.21½	.35
1	.18	.08½	Bobjo	79,250	.13	.15½	.12½	.15½
No	8.00	2.28	Bralorne	14,610	7.60	8.20	7.20	8.00
1	.25	.15	Brett Trethewey	36,000	.19½	.23	.20	.23
1	.03½	.01½	Brownlee	23,000	.02½	.02½	.02	.02½
1	.01	.00½	Buckingham	4,000	.00½	.00½	.00½	.00½
No	.04½	.01½	Buffalo Can.	3,000	.02½	.02½	.02½	.02½
No	.07½	.01½	Bunker Hill	161,400	.03½	.07½	.03	.07
5s	1.25	.60	B'Wana McKubwa	600	1.10	1.25	1.25	1.25
No	.04	.02½	Canam Metals	1,000	.04	.03	.03	.03
1	.12½	.03	Can. Kirkland	215,000	.05½	.09	.04½	.08
1	.01	.00½	Capital Rouyn	5,000	.00½	.00½	.00½	.00½
1	.03½	.01	Cartier Malartic		.01½			
1	.50	.15	Castle Trethewey	41,900	.46	.50	.44	.50
1	.15	.05	Cen. Manitoba	24,000	.12	.12½	.10	.12
1	.28½	.17	Cen. Patricia	28,050	.25	.28½	.24	.28½
No	.12	.03	Chibougamau Pros.	69,900	.08	.12	.08	.11½
.	.10½	.03	Church. M. & Mill		.05			
No	.02½	.00½	Clericy	40,500	.01½	.01½	.01½	.01½
.	.02½	.01	Clifton Cons.	241,000	.01½	.02½	.01½	.01½
5	5.40	1.65	Coast Copper	4,090	3.60	5.40	3.30	5.40
1	.05	.00½	Cobalt Contact	13,500	.02½	.03	.03	.03
1	.15	.05	Columario	65,100	.08	.15	.08	.14
5	1.10	.75	Coniagas	400	1.05	1.10	1.05	1.10
No	.48	.20	Coniaurum	13,678	.41	.48	.40	.48
25	119.50	54.00	Cons. Smelters	12,798	101.00	119.50	99.00	119.00
No	32.75	13.60	Dome Mines	73,071	27.40	32.75	27.70	31.50
No	.08	.03½	Dom. Explorers	17,500	.04½	.05½	.04½	.04½
1	.01	.00½	Dominion Kirk.		.00½			
1	.04	.01	Don. Rouyn		.01½			
1	.04½	.02	Duparquet	12,000	.02	.02	.02	.02
1	1.90	1.16	Eldorado	137,205	1.55	1.90	1.56	1.88
No	3.45	1.80	Falconbridge	28,785	3.15	3.45	3.00	3.35
1	.02½	.01	Federal	2,000	.01½	.01½	.01½	.01½
No	.02½	.01½	Flintoba		.02½			
No	.04	.01	Gilbec	116,100	.03	.04	.02½	.04
1	.09	.04	Goldale	13,330	.07½	.08	.07½	.07½
10	.24	.10	Goldfield	10,700	.18	.23	.20	.22½
.	.01½	.01	Gold Reef		.01			
1	.06½	.02	Goodfish	19,200	.05½	.07	.04½	.06½
1	.03½	.01	Graham		.02			
1	1.95	1.19	Granada	64,465	1.45	1.64	1.42	1.54
1	.08	.06	Grozelle		.06½			
1	.32½	.24	Halcrow Swayze	11,000	.29	.32½	.28½	.32
1	.06	.02	Harker	12,000	.04½	.04½	.03½	.04
1	.01½	.00½	Hilltop	3,000	.00½	.00½	.00½	.00½
5	10.90	6.00	Hollinger	97,034	9.05	10.90	9.00	10.20
1	.95	.61	Howey Gold	197,640	.78½	.91	.78	.90
No	9.50	3.10	Hudson Bay	11,521	8.25	9.50	8.00	9.30
No	.40	.25	Huronian	3,080	.32	.40	.30	.40
No	17.30	8.00	Int. Nickel	117,926	15.30	17.30	15.00	17.05
1	.02	.00½	Jackson Manion		.01			
1	.45	.20	Keeley	1,475	.45	.45	.45	.45
1	.02	.00½	Keora Mines	1,500	.01	.01	.00½	.00½
1	.76	.48	Kirk. Hud. Bay	1,600	.52	.55	.52	.55
1	.02½	.00½	Kirk. Hunton	1,500	.00½	.00½	.00½	.00½
1	.52	.30	Kirkland Lake	12,003	.35	.45	.35	.42
1	.03½	.01½	Kirkland Premier	47,000	.02	.03½	.02	.03½
1	.22½	.12	Kirk. Townsite	41,800	.17½	.20	.17	.19½
20c	.02½	.00½	Koot. Florence	18,000	.02	.02	.01½	.02
1	.35	.15	Lakeland		.18			
1	.18½	.07	Lake Maron	247,600	.10½	.14	.07	.09
1	42.75	30.75	Lake Shore	37,797	38.50	42.75	38.50	41.25
1	.08	.02½	Lebel Oro	20,000	.06½	.07	.05½	.05½
1	.57	.20	Macassa	338,900	.44	.57	.44	.52
1	.20	.05	Malartic	28,550	.18	.19	.15	.16½
1	.02½	.01	Malrobic	85,500	.02½	.02½	.02	.02½
No	.11	.02½	Mandy	7,600	.08	.11	.08	.10
No	.03½	.01	Manitoba Basin	179,000	.03	.03½	.02½	.03
5	33.25	21.20	McIntyre	51,315	28.20	33.25	28.20	31.75
1	.50	.30	McKinley		.43			
No	.08	.02½	McLeod River	123,450	.04½	.04½	.04½	.04½
1	.23	.03	McMillan	12,250	.23	.23	.20	.21
No	.75	.46	McWatters	29,750	.63	.70	.60	.70
1	.84	.15	McVittie	257,910	.48	.84	.48½	.70
5	1.00	.06	Mentor Exp. & Dev.		.55			
No	2.05	1.20	Mining Corp.	49,538	1.62	2.05	1.65	1.96
1	.03½	.01½	Moffatt Hall	67,500	.03	.03½	.02	.03½
1	.06½	.02	Moneta	1,000	.04½	.05	.05	.05
1	.00½	.00½	Montreal Rouyn		.00½			
1	.40	.11½	Moss	52,200	.13	.14	.12½	.13
1	.02½	.00½	Murphy	5,000	.01½	.01½	.01½	.01½
No	.05	.02½	Newbec	29,030	.03½	.05	.03½	.05
1	.06	.01½	Night-Hawk Penn.	500	.04	.03	.03	.03
5	3.10	1.15	Nipissing	22,405	2.20	3.10	2.20	2.81
No	32.35	19.75	Noranda	58,379	28.25	32.35	28.50	31.35
No	.52	.32½	Nor. Canada	27,000	.40½	.47	.40	.45
No	.29½	.19½	Normont-Gold	9,975	.28	.29½	.27½	.29½
1	.17	.05	Osisko	26,400	.10	.17	.10	.17
1	.28½	.11	Parkhill	20,700	.25½	.28½	.24	.24
1	.03½	.01½	Pawnee Kirk.	2,500	.02	.01½	.01½	.01½
1	1.50	.50	Pend Oreille	57,025	.95	1.50	.91	1.00
1	.01½	.00½	Peterson Cobalt	2,500	.01½	.01½	.01½	.01½
1	13.00	4.30	Pioneer Gold B.C.	59,090	11.60	13.00	11.35	12.75
1	.01½	.00½	Porcupine Crown		.01			
1	.01	.00½	Potter Doal		.00½			
1	.84	.55	Premier Gold	27,150	.72	.84	.70	.84
1	.03½	.00½	Preston E. Dome	96,500	.03	.03½	.02	.03
No	1.10	.68	Prospectors Air's.	1,300	1.05	1.10	1.01	1.05
No	*1.00	1.00	Quebec Pros.					
No	.15	.03	Quemont	1,000	.13	.14	.14	.14
1	.02½	.00½	Ribago	17,000	.01½	.01½	.01	.01
1	.03	.01½	Ritchie		.01½			
1	.04	.01	Robb Montbray	8,770	.03	.03	.02½	.03
1	1.28	.75	San Antonio	62,406	1.07	1.25	1.07	1.18
1	.03	.03	Seven Troughs		.03			
1	1.25	.33	Sherritt Gordon	103,104	.82	1.25	.76	1.17
1	1.77	1.25	Siscoe	264,725	1.45	1.70	1.44	1.57
1	.10½	.02½	South Keora	6,000	.02½	.03½	.03	.03
No	.06	.01½	Stadacona	109,900	.03	.03½	.03	.03
1	.14	.07	St. Anthony	1,800	.09½	.10½	.09½	.10
No	1.66	.60	Sudbury Basin	31,065	1.35	1.66	1.31	1.55
1	.08	.00½	Sudbury Contact	26,500	.05½	.08	.05	.08
1	.01½	.00½	Sudbury Mines		.00½			
No	.16½	.16½	Sudbury Nickel		.16½			
1	.38½	.20	Sullivan	40,600	.36	.38	.34	.34
1	1.21	.72	Sylvanite	236,375	.87	1.17	.88½	1.10
1	.03½	.01½	Tashota		.01½			
.	.18½	.18½	Tashota Goldfield		.18½			
1	6.65	3.70	Teck Hughes	284,604	4.84	6.65	4.82	6.10
1	.10	.03	Thom. Cadillac	41,500	.06	.10	.08	.10
1	.35	.10	Towagmac	6,600	.22	.35	.20	.35
1	2.00	1.00	Treadwell	1,300	1.60	1.75	1.60	1.75
1	.12	.04	United Kirkland	2,000	.11	.10	.09	.09
1	.06½	.01½	Vacuum Gas	29,500	.02	.02	.01½	.02
No	2.40	2.30	Venezuela		2.35			
No	1.28	.80	Ventures	258,055	1.05	1.15	1.00	1.13
1	.22	.03	Vickers	7,100	.03	.04	.03	.03½
1	.65	.20	Vipond	32,008	.43	.65	.43	.65
No	1.00	.35	Waite Ackerman	5,025	.81	1.00	.70	.97
1	.06½	.02½	White Lake	4,000	.04	.06½	.04	.06½
1	.20	.02	Wiltsey Coughlan	240,600	.07½	.20	.07½	.19
1	.13	.07	Wood Kirkland	2,100	.12½	.13	.12	.12
No	6.90	3.73	Wright-Hargreaves	208,352	5.40	6.90	5.15	6.15

OIL STOCKS

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close May 20 (or last)	High for week	Low for week	Close May 29
No	.12	.08	Acme Gas & Oil	31,650	.08½	.11	.07½	.11
.	.04½	.04½	Admiral		.04½			
1	.82	.55	Ajax	9,450	.70	.75	.65	.74
1	.23½	.05	Alta. Pacific	710	.17½	.20	.15	.18
1	.18½	.05	Amalgamated	82,910	.13	.18	.12	.16½
No	.14	.04½	Associated	3,900	.11½	.12	.10	.12
No	.06	.01	Baltac	500	.03½	.03½	.03½	.03½
1	*.05	.02½	Brit. Dominion					
No	.70	.25	Calgary & Ed.	4,500	.64	.68	.66	.68
1	.13	.03	Calmont	1,800	.08	.08	.07	.07
1	.11	.08½	Common. Pete.		.08			
No	.45	.05	Dalhousie	2,400	.37	.32	.30	.30
No	.02	.02	Devenish		.02			
No	*.02	.00½	Dome Oil					
No	.22	.05½	East Crest	4,550	.21	.18½	.17	.17
.	.36	.25	Erie Gas		.27			
No	.01½	.00½	Fabyan Pete	104,000	.00½	.01	.00½	.00½
No	.30	.06	Foothills	1,000	.25	.15	.14	.15
No	.09½	.04	Freehold	19,900	.08½	.08½	.06½	.07
1	*.02	.00½	Great West					
No	.06½	.01½	Hargal	775	.04	.06½	.05	.05
No	*.05	.02	High Sarcee					
No	.95	.30	Home	9,385	.80	.85	.70	.85
No	*.05	.01½	Homestead					
1	.20	.10	Homestead O & G.	1,900	.13	.13½	.13	.13
1	*.01	.00½	Illinois Alberta					
No	*.02½	.00½	Lethbridge					
No	.15	.15	Lowery		.15			
No	*.02	.00½	Madison					
1	1.00	.14	Mayland	4,100	.70	.80	.70	.75
No	.05	.03½	McD. Segur Ex.	1,600	.03½	.05	.05	.05
1	*.04	.01	McD. Segur N.					
1	.50	.25	McLeod	2,195	.45	.45	.35	.43
No	.15	.07½	Mercury	13,575	.14½	.14	.11	.11½
No	.32	.11	Merland	5,200	.27	.26	.23½	.26
No	.15	.09	Mill City Pete.	1,100	.12	.15	.15	.15
1	.38	.12	Model	8,200	.33	.38	.30	.33
1	*.05	.04	Monalta					
1	*.07	.03	Moose Mountain					
1	*.01	.01	New Federal					
5	.20	.09	Nordon	8,200	.13	.13	.11½	.12
No	.04	.02½	Oil Selections	7,500	.03½	.03½	.03	.03½
No	.15	.04½	Okalta	3,500	.11½	.12	.11½	.11½
No	.50	.20	Olga Gas & Oil	14,200	.43	.46	.43	.45
No	.03½	.01	Penn. Pete.		.01½			
1	.17	.13	Petrol Oil & Gas	1,700	.15	.15½	.15	.15
No	*.14	.08	Ranchmen's					
1	*.01	.00½	Regent					
No	.02	.02	Richfield	800		.02	.02	.02
No	15.50	5.75	Royalite	506	12.50	12.00	11.00	12.00
1	.11	.05	Sarnia Oil	5,500	.08½	.09½	.08½	.09½
1	*.03	.01	Signal Hill					
1	.16	.04	South West Pete.	3,300	.15	.12½	.10	.10
1	.06	.06	Spooner		.06			
No	.38	.12	Sterling Pacific	500	.32	.30	.30	.30
.	.43½	.43	Trinidad Oil		.43½			
1	*.11	.07½	Turner Valley					
No	.16	.03	United	18,300	.12½	.12½	.08	.08
1	*.09½	.03	Vulcan					
No	.01	.00½	Wainwell		.00½			

VANCOUVER STOCK EXCHANGE
(Transaction for Week to May 23)

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close May 15 (or last)	High for week	Low for week	Close May 23
25c	.01½	.00½	Bayview	22,700	.01	.01½	.01	.01½
20c	.08	.02½	Beaver Silver	89,100	.05	.06	.04½	.05½
25c	.17	.05½	Big Slide	47,150	.11	.10½	.05½	.08
25c	.05½	.02	Bluebird	16,400	.04½	.04½	.03	.03
No	7.60	1.38	Bralorne	45,320	5.70	7.60	5.75	7.60
1	.40½	.05	Bridge River Cons.	219,250	.31	.40½	.28	.40½
.	.71	.35	Bridge River Exp.	321,515	.54	.71	.53	.59
100	89.00	88.50	B. C. Electric pfd.		88.50			
1	1.35	.60	B. C. Silver	200	1.15	1.35	1.20	1.35
1	2.85	1.50	Cariboo Gold	7,770	2.00	2.15	1.95	2.00
No	12.90	5.60	Coast Breweries	1,782	10.45	10.85	9.50	10.00
25c	.02½	.00½	Cork Province	6,500	.00½	.01½	.00½	.01½
1	.02½	.02½	Cotton Belt		.02½			
1	.07	.00½	Dalhousie Mines	166,100	.03½	.07	.03	.05½
.	.02	.02	Dunwell	1,000		.02	.02	.02
1	.55	.28	George Copper	100	.50	.46	.46	.46
50c	.04½	.04	Geo. Enterprise	3,500		.04½	.04	.04½
1	.09½	.02	Georgia River	220,000	.06	.07½	.05½	.07
1	.45	.16	Golconda	9,350	.27	.45	.27	.45
.	.80	.60	Gold Belt	1,700	.80	.75	.70	.75
50c	.07½	.03½	Grandview	44,100	.06	.06	.04½	.05½
1	.01½	.00½	Independence	3,000	.01½	.01	.01	.01
1	.03	.01	Indian Mines	5,000	.02	.02½	.02½	.02½
1	.17	.08½	Inter. Coal		.15			
1	*.21	.21	Jack Waite					
25c	.02	.00½	Kootenay Kin	10,000	.02	.01½	.01½	.01½
.	.01	.01	Lakeview		.01			
10c	.05½	.01	Lucky Jim	1,000	.04½	.04½	.03	.03
.	.06½	.05½	Marion Oil	6,300	.06	.06½	.05½	.06
10c	.42	.20	Meridian Min.	157,675	.32	.42	.27	.30
5c	.05	.05	Metaline Metals		.05			
.	.25	.18	Morning Star	60,650		.25	.18	.20
1	.03	.00½	Morton Woolsey	2,000	.02	.02½	.01½	.01½
.	.15	.09	Native Sons	48,400		.15	.09	.11
50c	.05½	.00½	National Silver	69,000	.04	.04½	.04	.04½
.	.81	.74	Nicola	2,800	.80	.81	.80	.81
50c	.17½	.02½	Noble Five	91,775	.13	.15	.12	.14
50c	.01	.00½	Oregon Copper		.01			
.	.65	.40	Pioneer Ext.	6,600	.60	.64	.55	.60
1	12.20	4.30	Pioneer Gold	16,081	9.75	12.20	9.90	12.20
.	.11	.10	Planet		.11			
50c	.14½	.04½	Porter Idaho	32,300	.12	.12	.10½	.12
No	.02	.00½	Premier Border	133,500	.01½	.01½	.01	.01
.	.04	.02	Quatsino	11,300		.04	.02	.04
No	.22	.10	Reeves McDonald	900	.22	.20	.19	.19
.	.14	.04	Reward Min.	151,700	.10	.14	.09½	.13½
1	1.35	.60	Reno Gold	206,505	1.15	1.35	1.07	1.23
1	.10	.01	Rufus Argenta	129,500	.05	.10	.04½	.07
1	.07	.02½	Ruth Hope	13,200	.06	.05½	.04½	.04½
1	.08½	.03½	Silverado	2,750	.06½	.08	.05	.07
.	.03	.01½	Silversmith	500	.03	.03	.03	.03
25c	.06	.01	Silver Crest	152,700	.04	.05	.04	.04½
50c	.04½	.01	Snowflake	220,650	.02	.02½	.01½	.02
1	.30	.25	Sunloch	100	.25	.25	.25	.25
No	.12	.06	Vanalta	1,700	.10	.08	.06	.06
50c	.43	.08	Wayside	449,175	.30	.43	.30½	.39
25c	.08½	.01½	Waverly Tangier	364,500	.07½	.10	.07½	.08½
20c	.05	.01½	Wellington	13,500	.04	.04	.03½	.03½
1	.16	.03	Whitewater	21,950	.12	.12	.11	.12

*Quotations for 1932. No sales recorded in 1933 to date.

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	10.8	Merland Oils†	2½c.	
Coniagas‡	12½c.		Noranda	$1.10	
Coniaurum†	3c.		Petrol Oil	*2c.	
Cons. Smelters*	10%		Premier	.12c.	14.28
Dome Mines	$1+55c.	4.60	Pioneer, B.C.	60c.	4.70
Falconbridge	10c.		Royalite	*1.50	
Hollinger	65c.+10c.	7.35	Siscoe	12c.	7.64
Howe Sound	40c.		Sterling Pacific Oil†	2½c.	
Lake Shore	$2+$1	7.27	Sylvanite	4+1c.	4.54
McIntyre	$1.50+12½c.	5.11	Teck Hughes	60c.	9.83
McLeod Oils‡	5c.		Wright-Har.	20c.	3.25

*Stock. ‡Interim. †Initial. *Paid in 1932.

CLASSIFIED ADVERTISEMENTS

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Opportunities

WANTED $100,000. SPLENDID opportunity for investment in company with proven record whose products are used in every household. For over five years this concern has been making 23% on investment. J. P. Lawrason, 330 Bay St., Toronto.

REPRESENTATIVE FOR OLD established Life Insurance Company with 15 years banking experience and record of having sold $250,000.00 worth of business during past 18 months, desires to make permanent connection with more responsibilities with good company in any line of sales or organization work where ability would be recognized. Box No. 30, The Financial Post, Toronto, Ont.

Travel

MISS JEAN MACPHERSON IS taking a small party of young ladies abroad for two months—sailing cabin class from Montreal. Cities visited are Edinburgh, London, Paris, Montreux, Lausanne, Geneva, Venice, Florence, Pisa, Genoa, Monte Carlo, Cannes, Nice, etc.

This is not an expensive trip and Miss Macpherson has room for two or three more. For further information phone Kingsdale 0780—652 Huron St., Toronto.

Service for Investors

INDIVIDUAL investors may secure a special service on specific companies in which they are interested. Service includes detailed analyses and all newscards and revisions published on those companies during the year. Send in your list of companies. Rate—$12 a year for any 10 companies. Additional companies pro rata. Or write The Financial Post Corporation Service, 210 Dundas Street West, Toronto, for further particulars.

Position Wanted

POSITION WANTED BY AN experienced plant executive capable of taking charge of a manufacturing establishment. Experience covers maintenance of machinery and buildings—machinery layout and specification—operation of plant—handling men—costs and scientific management. For details and references please write to Box 128, The Financial Post, Toronto.

Stenotype Service

BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to insure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

Clipping Services

ARE you posted on what publicity your products are receiving in the Canadian Press? Do you know how many dealers are advertising your wares and how much space they are using? Our CLIPPING SERVICE would keep you constantly informed of these matters. The fees are moderate. Write for the whole story. Canadian Press Clipping Service, 481 University Avenue, Toronto, Ont.

Office Furniture

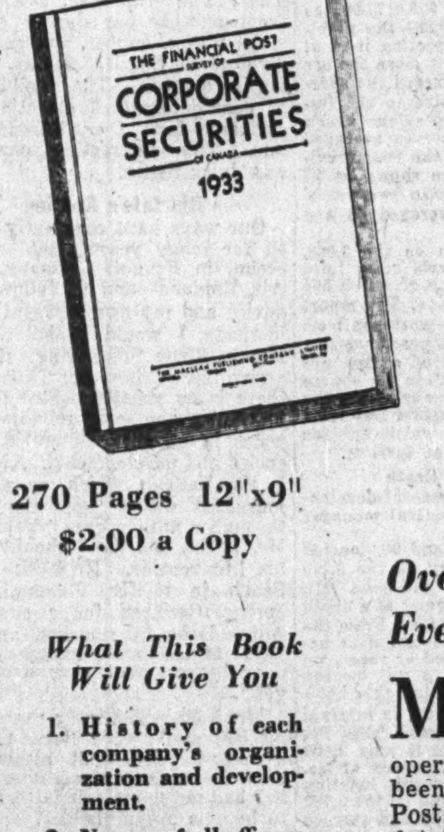
BOARD ROOM TABLE—MAHOGANY, large size, $200; cost $400. Good as new. Box 130, The Financial Post, Toronto.

NOTICE

We have severed connections with Mr. J. K. Gamble, Trusts and Guarantee Building, Toronto, Ont.

Northern Quebec Gold Mines Limited
Dominion Square Building, Montreal, P.Q.

Use this Book to Check over Investments
Be Prepared for the Up-turn



270 Pages 12"x9"
$2.00 a Copy

The Financial Post
SURVEY OF CORPORATE SECURITIES
NEW 1933 EDITION

NOW READY

Over 1300 Corporations Reviewed
Every Investor Needs This Book

MANY changes have taken place in the structure of Canadian companies in the past year. Difficult conditions have influenced operations and earnings. Reorganizations have been numerous. The new edition of The Financial Post Survey of Corporate Securities contains details of all such changes. It is essential that the investor secure this new edition if he is to know the present position of the companies in which he is interested.

Bonds and stocks of well managed and long established companies have declined in some cases. Many appear to offer attractive opportunities if held for a reasonable period. The Survey of Corporate Securities supplies the information needed to enable the investor to determine the relative merits of securities; to study present holdings; to consider "switches."

Many improvements have been made in the 1933 Edition. In all over 1,300 corporations are covered including those listed on Canadian Stock and Curb Exchanges and many unlisted stocks.

What This Book Will Give You

1. History of each company's organization and development.
2. Names of all officers and directors.
3. Balance sheet and income and surplus account for three years.
4. Price range of stock for past four years.
5. Dividend rate and when payable.
6. Capital structure and funded debt.
7. Funds in which bond interest is payable.

SEND IN YOUR ORDER NOW

Use the Coupon

The Financial Post,
481 University Ave., Toronto 2, Canada

Please send me postpaid .... copies of The Financial Post Survey of Corporate Securities, 1933, at $2 a copy. Enclosed is $........ in payment.

Name ....

Address ....

333

Canadian Mining News

McIntyre Reports $2.81 Net Profit Per Share In Record Breaking Year

New Developments at Depth Seen as Encouraging

DEEPENING TO 7000 FT.

Working Capital Plus Ore Reserves Work Out to the Equivalent of $30.20 Share

Annual report of McIntyre Porcupine Mines for the fiscal year ended March 31, 1933, reflects the best year in the company's 21-year history from the standpoint of production, net profits, working capital and production costs. The ore reserves also are near the record established two years ago. Net profits were $2.81 cents per share against dividend requirements of $1.37½ and as compared with net profits of $1.98 in the previous fiscal year.

The following tabulation gives comparative income and surplus account figures for the past two years:

Income and Surplus Account
Years Ending March 31

	1933 $	1932 $
Operating income	5,427,211	4,997,462
Less oper. exp.:		
Mining & dev.	2,321,964	1,972,890
Milling	658,317	676,003
Misc. camp exp.	66,448	66,272
Mine man. & gen. exp.	76,128	91,702
Admin. & gen. exp. H.O.	80,754	89,763
Stock transfers etc.	10,100	7,670
Insurance	22,800	15,392
Taxes	330,801	220,134
Operating earnings	2,031,827	1,963,704
Add non-oper. rev.:		
Exchange comp.	530,005	308,059
Int. & discount	111,091	91,964
Miscellaneous	8,675	10,021
Total net earnings	2,681,598	2,261,807
Less w/o & reserves:		
Depreciation	277,245	261,106
Devel. exp. undistr. w/o	96,287	
Devel. outside props. w/o	22,299	10,885
Plant, special w/o	8,864	33,883
Mining prospects	33,645	15,035
General reserve		300,000
Sundry oper. adj. dr.	9,326	
Sundry oper. adj. cr.		
Net profit	2,242,794	†1,578,709
Less dividends	1,097,250	798,000
Surplus for year	1,145,544	780,709
Add: Sale of sundry invest.	37,144	
Previous surplus	5,392,750	4,653,623
Less: Tax adj. prior yrs.	32,072	41,582
Silicosis assess. prior year	145,987	
Bal. carried forward	6,397,378	5,392,750

†After setting up general reserve.

Earnings per Share and Div. Record:

	1933	1932
Earned (net profit)	$2.81	*$1.98
Paid	1.37½	1.00

*After setting up general reserve.

No. of Shs. Outstanding as at Mar. 31:

Common	798,000	798,000

Taxes and special silicosis assessments formed a heavy charge against the company's operations, which drew the comment from J. P. Bickell, president of the company, that relief must be provided to neutralize the continuous increase and suggests that the governments study the question of taxation in detail to the end that an amended policy may be adopted along lines that are fair and just.

The company has pursued its same liberal policy as regards depreciation of plant and the higher reserve this year than formerly reflects the $108,343 additional capital expenditures last year that made the company's plant known as among the finest in the world for its kind.

$11,362,517 in Dividends

Dividends which started in 1917 have been gradually increased until $1.37½ per share was paid in the last fiscal year. Since that date bonuses have further increased the dividend rate to $2 per share annually. Since 1917, $11,362,517 has been disbursed to shareholders.

The following tabulation gives a summary of production since inception of operations, with comparative costs for the past two years:

Summary of Operations
Fiscal Years

Periods Ending	Tons Milled	Recovery per ton	Total Value
Dec. 31, 1912	14,600	$5.25	$76,166
Dec. 31, 1913	31,979	7.06	225,752
Mar. 31, 1915*	85,654	8.39	718,332
Mar. 31, 1916	105,768	7.38	779,991
June 30, 1917*	195,307	9.55	1,864,914
June 30, 1918	178,587	9.61	1,714,258
June 30, 1919	179,874	9.29	1,671,646
June 30, 1920	188,835	11.02	2,080,178
June 30, 1921	171,916	11.08	1,904,326
June 30, 1922	193,971	9.99	1,937,105
June 30, 1923	246,615	9.12	2,249,742
June 30, 1924	260,140	9.14	2,291,178
June 30, 1925	400,240	8.86	3,546,638
June 30, 1926	460,890	8.25	3,804,775
Mar. 31, 1927†	386,409	7.27	2,957,061
Mar. 31, 1928	520,460	7.66	3,987,635
Mar. 31, 1929	538,165	7.83	4,212,625
Mar. 31, 1930	550,495	8.05	4,433,627
Mar. 31, 1931	553,115	8.30	4,533,141
Mar. 31, 1932	655,000	7.63	4,997,462
Mar. 31, 1933	736,900	7.37	5,427,211
	6,752,018	8.37	$54,513,763

*15 mos. †9 mos.

Production Costs Per Ton
Years Ended March 31

	1933 $	1932 $
Devel. & explor.	.45	0.64
Mining	2.70	2.37
Milling	.79	0.97
Taxes	.45	0.40
Gen. & admin. exp.	.23	0.31
Total oper. costs	4.62	4.69
Depr. & write-offs	.54	.69
Total costs per ton	5.16	5.38

The following shows the relation of current assets and current liabilities for the past two years, net current assets being now equivalent to $5.16 per share.

Working Capital
Years Ended Dec. 31

	1933 $	1932 $
Current assets	4,874,884	3,496,740
Current liabilities	753,434	542,302
Working capital	4,121,450	2,954,438

The increased expenditure on development and mining reflects the greater amount of work done although the cost per ton for these items is slightly greater than in the previous year. The total footage in development and exploration was 27,480 as compared with 23,811 in the previous year The total cubic feet excavated was 113,613 as compared with 46,413 the previous year, while the diamond drilling amounted to 36,243 ft. as compared with 39,518 ft. in the previous year.

Ore Reserves Up

Ore reserves were estimated at 2,605,066 tons assaying $7.70 per ton or a total value of $20,017,000, as compared with $19,859,863 the previous year. In this connection it is of interest to see just how close the ore reserves of one year exceed the average grade of ore treated in the following year. In the previous year's statement the ore reserves averaged $7.75 per ton while in the year previous to that they were shown at $8 per ton. Following these two years' figures mill heads averaged $8 and $7.70 respectively.

On the No. 22 vein on the 3,626, 3,750 and 3,875 ft. levels some 1,646 ft. of drifting was done of which 505 ft. was in ore of $5 grade. The report comments that further work confirms the observation of last year that this ore body is the apex of a new ore bearing system that will in due course be elaborated upon by work from the new No. 12 winze now under way from the 3,875 ft. horizon, which has for its objective a depth of 7,000 ft.

Promising at Depth

In commenting on general developments, R. J. Ennis, general manager of the property, said:

"Veins Nos. 16, 19 and 20, located in the quartz porphyry on the 3,750 and 3,875 foot levels, will pass into the underlying basic schist at a depth of approximately 4,700 feet. From the interpretation of geological data accumulated over a period of years, we believe that these veins will become important producers below this horizon. To develop this area, an internal vertical shaft was started from the 3,875 foot level. It is located 1,500 feet south and 1,000 feet east of No. 11 shaft. The permanent hoisting equipment will be placed on the 3,750 foot level, with dumping and storage facilities above the 3,875 foot level. The plant is laid out to afford necessary ventilation, and provide a hoisting capacity of 1,500 tons in 16 hours from a depth of 3,500 feet below the 3,875 foot level. Sinking operations are well under way and the second station is just being completed.

Development work in the north contact zone, from the west to the east end of the property, and to a depth of approximately 1,000 feet, is proving up a large number of short lenses of ore that are of good width and grade and gives promise of very considerable tonnage.

The annual meeting of the company is called for June 28, in Toronto.

Copper Concentrates Shipped To Belgium

From Our Own Correspondent

VANCOUVER. — Copper concentrates are beginning to move again to Europe from British Columbia.

Two thousand tons of concentrates will be sent to Antwerp, Belgium, on a motorship to load at Britannia Beach early in June and the following week another cargo of 1,500 tons will be taken to the same destination.

The orders have been received by the Britannia Mining & Smelting Company, subsidiary of Howe Sound Company.

McIntyre

Earnings on a very attractive basis.

Should be bought. Consult us.

J. H. Crang & Co.

Members Standard Stock & Mining Exchange

244 BAY ST. — TORONTO

WAverley 1621

Consolidated Smelters

The affairs of this important Company are reviewed in the current issue of The Mining Analyst. Copies on request.

WA. 1633

J. E. GRASETT & CO.

—Members—

Standard Stock & Mining Exchange

302 BAY ST. - - TORONTO

BEATTIE GOLD MINES LIMITED

A great Gold Mine in the making. With enough tangible evidence present to-day to justify the interest of forward looking people who invest not for immediate enhancement but for future profits. Beattie's close affiliation with other important mining interests and the actual progress made to this date makes this outstanding development a property that must be figured with as time goes on. Beattie compels the gold minded person to think of the great gold mines of the future.

Comprehensive circular on request.

Bought—Sold—Quoted.

J. H. Hirshhorn & Co.

302 BAY STREET, TORONTO

Telephone, Waverley 3041-2-3.

Announces Second Dome Mine

Caricature by Cecil

JULES SEMON BACHE

As president of Dome Mines and an executive of several companies with Canadian subsidiaries, J. S. Bache, a native-born New Yorker, is an international financial figure. He makes at least one visit to Canada annually to preside over the Dome annual meeting. Here he acknowledges the supremacy of his operating executives in running the mine but keeps a tight grasp on the financial policy that helps to make the shares so popular. Always immaculate, he appears at his best seated at a table surrounded by his colleagues where his piercing monocled eye has not ceased to dominate those about him. His 72 years, mostly spent amid the wolves of Wall Street, have not served to dull the dexterity with which he absorbs into his directorates those who would oppose his plans.

Recently at the Dome meeting he quietly told the shareholders that the company had discovered a brand new mine.

Bache Early Had Faith In Canada's Gold Mines

Personal Glimpse of Dome Mines Head Reveals Outstanding Figure in International Financial Circles

By JOHN BAYNE MACLEAN

The Mining Editor asks me to tell something about Jules Bache, New York financier, president, who is so much talked about just now in mining and business groups because two of his pets, Dome Gold Mines and Chrysler Motors, have had remarkable recovery in the last few months.

The Financial Post was, I think, the first newspaper in Canada to play up the great future for gold mining in Ontario, and Jules Bache was my source of information and inspiration.

It was nearly thirty-four years ago, in the days when Southern Florida was being discovered by American leaders, that we met in a train, mainly of private-car parties Palm Beach bound. I was a guest of the late Frank Munsey, publisher-financier. Descending from another car during station stops was a dapper, energetic individual in English clothes, wearing a monocle. The combination of course attracted attention and curiosity. Later I was introduced to him. This interesting character was Jules Bache.

His Life's Routine

Our ways have constantly crossed for many years since—on the ocean, in France, Germany, Austria, England—and if I followed his advice and my own newsgathering instincts I would probably meet him in Rome this spring. He will arrive there this week. Than Rome there is no greater centre for the journalist who seeks reliable news, years in advance, of world tendencies and developments. At Rome is the Vatican, which, as a great journalist wrote, "sees the world through a million eyes." Years ago Mr. Bache told me I should adopt his life routine. He said: "Palm Beach in winter, Rome in the spring, Carlsbad for a cure, the Adirondacks in summer, and the Dome Mines to pay expenses is as near heaven as I ever expect to get."

Mr. Bache chaffingly reproached me last week, when Dome touched a record price, that although I knew as much as any insider about it I had never enough faith in him to become a shareholder.

His Faith in Canada

Crossing the ocean not long after the war, Mr. Bache asked me to luncheon to meet Le Breton, Argentine Ambassador to Paris. Like most South Americans, the ambassador was very keen for business. He knew much about Canada, particularly our agricultural resources, exports, etc. He wanted to know more. He was quite frank. Canada was their most important competitor, he said, and they were out to beat us when they could. Jules Bache brought up gold mining. He said: "Ontario is destined to be one of the greatest gold mining areas of the world." He knew what he was talking about. He had invested several millions in Ontario. But he said: "You Canadians don't know it."

It was just shortly after that gold production in Ontario, which had struggled with the problems of the war and the consequent high costs, began to expand rapidly. The few successful mines doubled their production and much more than doubled their profits in the next few years. Ontario, whose statistics had filled a minor column in the world's record of gold production, became one of the great gold mining areas of the world, just as Mr. Bache prophesied.

Canadian Mine Colony

Palm Beach in winter is now a cross section of United States leaders not only in commerce and industry but in the professions, with quite a large representation of leaders from other parts of the world. There Jules Bache has built himself a one-story Spanish farmhouse type bungalow with its large partly covered inner courtyard with its tiled walls, fountains, walks and flowers. Directly across the road is the home of Harry Oakes, the chief owner of the Lake Shore Gold Mines, our most spectacular producer today. A short distance away, is Senator Donat Raymond, son-in-law of the late Harry Timmins and one of the chief figures in the Hollinger. Within five minutes walk are the offices of Thomson and McKinnon, members of N. Y. Stock Exchange, where you can occasionally meet the chief partner, J. P. Bickell, Toronto, the big figure in the McIntyre.

Mr. Bache has always had an uncanny capacity for seeing far into the financial future. When the late Hon. James Robb M. P. was struggling with the after-war Dominion financing he came to discuss with me one of his important problems. He was questioning the soundness of the advice from some high interests. Our information accorded with his own views and I undertook to check it further for him. I wrote in confidence to trusted financial leaders whom I knew in New York, London, Paris, Berlin, Frankfort and Vienna—Bache being one of them. They were not all in agreement. Bache wrote me from Rome giving a general view of developments for the next year or two. It confirmed Robb's judgment. Robb based his policy on the facts supplied by Mr. Bache and time proved they were entirely correct.

When the public were speculating wildly in useless German marks Ottawa's "mystery man," the former Mr. C.——, was vainly trying to get The Financial Post to give some support to the Canadian-American syndicates headed by young Mr. Roosevelt to accumulate marks and take them back to buy at bargain prices German industrial plants. Mr. Bache was instead buying Czechoslovakian kroner and leaving them in the Bohemian banks. A couple of years later they showed enough profit to pay his "Karlsbad Kur" expenses for the rest of his life.

"Two More Years"

By 1927, many of us conservatively-minded elders, looking back over our own experiences and what we had learned from the men of the past, had come to the conclusion that the current prosperity had run its course. Gossiping with Jules one day that winter I asked him if he did not think the present wave of prosperity had run its course. He replied: "Not at all. Barring accidents it will run for another two years. Then look out. By that time the public will be in in a big way and the market wili run wild."

Mr. Bache still swears by his English tailor. He spends the late spring in a beautiful apartment set up for him in the London home of his youngest daughter who married Gilbert Miller, the theatrical manager. Gilbert Miller is to some extent a Canadian. His father, Henry Miller, the actor, was at one time a Canadian barrister, who like Cyril Maude started his stage career in amateur theatricals in Toronto.

Mr. Bache has for a number of years done me the honor of dropping in and spending the hours between his annual meeting and his N. Y. train time. On any of these visits now I am quite prepared to notice that, J. P. Morgan-like, he has also added an English accent to his clothes and monocle, especially as his charming young nephew, Mr. Scheftel, a Rhodes scholar who recently finished at Oxford and has just secured a seat on the N. Y. Stock Exchange, is now one of his constant companions. This time he was in a happier than usual mood. For several years a group of Canadians headed by R. Home Smith had attended the annual meeting to demand Canadian representation on Dome directorate, and the distribution of the large reserve fund. Bache refused, saying he could do much better in the long run for the shareholders by conserving it. Hon. W. D. Ross, later Governor of Ontario, unexpectedly came to his support. And it would seem as if he was fully justified judging from developments in the years since and by the cordiality that prevailed at this year's shareholders' gathering.

Outposts Broaden Market For Nickel

Rolling of Mirror-like Nickel Alloy Sheets Only One of the Huntington Operations of International Nickel Co.

By B. F. TOWNSLEY,
Mining Editor, The Financial Post

As the use of nickel and nickel alloys expanded, fabricating has been extended at the $10,000,000 outpost of International Nickel Co. at Huntington, W. Va., until today it is possible to procure nickel, monel metal and other nickel alloys of all kinds from the varied semi-finished shapes of the merchant mill up to the latest product,—the highly burnished sheets of the cold drawn plant, which is separated by the broad, grassy, landscaped avenue from the less meticulous operations which culminate in the merchant mill. Dust suspended in the air and contacting with the highly burnished sheets would mar their mirror-like finish and therefore the oiled floors and the landscaped lawns are an essential contribution toward alleviating this menace.

About the battery of gas-fired furnaces which heat the blanks from the merchant mill, swarm half-naked, sweating men, passing the white-hot blanks through the preliminary rolls which, with each pass, thin and broaden the sheet to the pre-determined gauge, similarly as the cook thins her lump of cookie dough under the rolling pin. Exact as is the thickness of the sheet, strange to say this thickness is not measured directly. Instead, the gauge is determined from the length of the sheet in the final pass through the rolls, in relation to the known amount of metal in the white-hot blank. In rolling the thin sheets beyond the practical limits of the preliminary rolls, several sheets are stacked and rolled together—the resulting gauge being identical in each sheet when the pre-determined length is reached. The tremendous pressure applied in rolling the stacked sheets does not effect a weld, as might be surmised.

Annealing and Cleansing

Before rolling, to impart the highly burnished surface, annealing or softening takes place to remove the temper. In annealing, batch muffle furnaces have been supplanted by more modern equipment, not unlike the continuous, travelling gas-fired "lears" employed in the glass industry. Trimmed to size, the sheets are now conveyed to the polishing building, but first they must go into pickling vats to cleanse the surface. On a rotating maypole arrangement, with projecting arms carrying the sheets, they successively plunge into and emerge from various vats as the maypole conveyor rotates them through the cycle of treatment. This might be termed the "affectionate" phase of the process, as when sheets accidentally make contact with each other in the pickling process what are known as "kisses" develop.

A trip through the washer and dryer and the sheets are ready for further mangling. Here, high-powered German machines roll and polish the sheets, ready for fabricating into a multitude of products.

For the more exacting demands of super-finished products, the sheets pass into a closely-guarded department where a secret process imparts the mirror-like lustre. The packing and crating of these highly-polished sheets is worthy of mention as fine china receives no greater care in packing because each sheet is cushioned with sheets of paper in a padded crate.

Many Products Made

Polished sheets are but one of the products of this outpost of Canadian industry. In the cold drawn plant a variety of products are made from semi-finished material of the merchant mill. In one corner of the plant, rods are drawn through highly-tempered dies down to finest gauges of wire. In another corner solid rods are converted into seamless tubing, as powerful machines draw it over a highly tempered chromium-plated die. In another section of the plant these products pass through more furnaces. To maintain and make dies for all these various machines is a tool room, with its staff of skilled workmen.

The energy which is expended on the sheet blanks and other products of the merchant mill to make polished sheets, wire and tubes finds its counterpart in still another plant where nickel, monel metal and other nickel alloys are rolled into ribbons of various gauges and widths, and coiled on to spools to serve other market demands.

A trip through the warehouse is impressive for the multitude of shapes and sizes held in store to meet the standard demands for nickel products which did not exist when this plant at Huntington, W. Va., was built in 1922.

In 1922 the nickel industry had a dark outlook, as the curtailment of armaments had killed the principal market for nickel. By 1929 the volume of nickel produced exceeded that of the record demands during the world war years. This peace-time progress made by the International Nickel Co., to a large degree, can be attributed to the broadened source of semi-fabricated products of the Huntington works, which serves the United States,—the largest consumer of nickel—as well as other industrial nations, with products steadily increasing in favor, which is reflected in the magnitude of an industry having its primary operations in Canada.

This is the fourth of a series of articles on the outposts of Canadian industry. A subsequent article will deal with the scientific research, inseparably associated with the promotion of nickel products.

MARSHALL NEW RENO MANAGER

Leaves Central Manitoba to Pilot Promising Young Mine

I. M. Marshall, B.Sc., who has been manager of the Central Manitoba Mines since 1928, has resigned to become manager of the Reno Gold Mines, south of Salmo, British Columbia. Originally from London, Ontario, Mr. Marshall graduated from Queen's University in 1917 and was with the Geological Survey of Canada in 1920. For three years he was connected with the Iron Mountain Co., also the Nevada Consolidated Copper Co. in the United States, which position he gave up to become Professor of Mining Engineering at the University of Illinois between 1924 and 1928.

At the Reno Gold property production operations were resumed last February, following a disastrous fire which destroyed the company's mill. Since production started in 1929 the value of the output has been steadily increasing and the most recent information is that the mill has been stepped up to about 80 tons of ore daily.

Production Improving

Four months' production to May 1, was about $100,000 with the April gold production approximately $33,000, including exchange compensation.

According to O. C. Thompson, managing director, millheads were approximately $4 higher in May than in April while recovery is averaging better than 95 per cent.

Stopes on the No. 5 level are providing the ore and one stope is averaging three ft. in width which is an improvement over the upper levels. The extension of the No. 5 level is now approaching an area which is expected to intersect a downward extension of the best ore encountered above. Further surface exploration will be conducted this season on the Reno group of claims where mining is presently conducted, also surface exploration will be undertaken at the Nugget-Motherlode group of claims. the site of the company's milling operations.

ACME OIL PROFIT $8,856 LAST YEAR

Chaotic Conditions in U. S. Oil Fields Affect Earnings

Annual report of Acme Gas & Oil for the fiscal year ended December 31, 1932, reflects the chaotic conditions in the oil industry in the United States where the company obtains its principal revenue. Net profit for the year was $8,856 after reserve for depreciation and depletion of $50,000 as compared with a net profit of $61,067 of the previous year.

Gross income from the company's interests in the Oklahoma City wells was $80,267 from 88,006 barrels of crude oil. In the Texas field the gross income was $17,147 from 19,223 barrels of crude oil. Production from the company's 7½ wells in Southwestern Ontario gave a total of 71,948 M. cu. ft., realizing $17,793. Only one well was drilled during 1932 which proved to be a dry hole.

The liquid assets of the company increased giving a working capital of $66,857 as compared with $35,381 at the end of the previous fiscal year.

The following tabulation gives comparative income and surplus account figures for the last two years:

Income and Surplus Account
Years Ended Dec. 31

	1932 $	1931 $
Net income	74,317	93,303
Less:		
Organ. exps. w/o	....	5,416
Res. for taxes	9,387	10,000
Res. for deprec. & depletion	50,000	....
Res. for invests.	6,074	16,820
Net profit	8,856	61,067
Add: Prev. balance	40,586	*19,873
Less: Prev. yr. adjust.	....	608
Balance carried fwd.	49,442	40,586
Earns. per Share	$0.0044	$0.0303
Shares Outstanding	2,012,732	2,012,732

*Deficit or loss.

Vancouver Sets Pace

The Port of Vancouver's exports in the fiscal year ended March 31 were nearly three times as large as the imports, the former amounting to $80,303,097 and the latter to $30,680,607.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

FIRST QUARTER 1932 AND 1933

Product:		Quantity 1932	Quantity 1933	Value $ 1932	Value $ 1933
Gold	fine oz.	543,188	551,080	11,228,697	11,391,849
Silver	fine oz.	1,818,244	1,128,623	605,484	338,805
Copper in blister and ores	lb.	16,637,886	24,424,005	988,192	1,465,440
*Copper in matte exported	lb.	6,930,600	4,475,668	277,224	179,027
Nickel, metallic, and in other forms	lb.	11,133,870	7,006,082	2,475,525	1,482,015
Cobalt, metallic, and in other forms	lb.	120,002	79,932	119,279	110,906
Lead, pig	lb.	7,062	......	180	......
Selenium	lb.	......	1,617	......	3,234
Total		....	....	15,694,581	14,966,276

*Copper content of matte valued at 4 cents in 1932 and 1933.

N. C. URQUHART & CO.

STOCK BROKERS

Members Standard Stock and Mining Exchange

15 King Street West — Toronto, Ont.

Adel. 6028

ANKERITE MINE REPORTS PROFIT FOR FIRST YEAR

Mortgage Reduced — Ore Outlook Brightens — To Deepen Shaft

Treating the second lowest-grade gold ore in Ontario, the Buffalo Ankerite Gold Mines, in the year since it resumed operations, has been able to reduce its mortgage indebtedness to $12,365 and had $10,577 on deposit as at May 1, 1933.

The value of production during the period was $399,472 including $51,956 earned as exchange compensation. The operating cost was approximately $341,500 which indicates that this old producer in its first year more than broke even on the undertaking.

Physically the mine has improved and the broken ore in the stopes exceeds 25,000 tons. Many improvements have been made at the property and as a result of an extensive diamond-drilling programme, preparations are under way to deepen the shaft below the present 600-ft. horizon. Ore indications above the 600-ft. level are reported sufficient for 18 months' to two years' supply for present milling rate. The No. 5 vein on the 250-ft. level, presently being stoped, averages $7 per ton in gold with about 30,000 tons indicated in this area. This compares with under $4 grade treated by the mill last year.

Exchange Compensation

The exchange compensation due to the present inflated value of gold is proving a lucrative source of earnings for the company and in event of gold being revalued will have an important bearing on the company's future.

The present company, Buffalo Ankerite Gold Mines, was incorporated in October, 1932, by a Buffalo group to succeed the Ankerite Gold Mines Syndicate, which purchased the Porcupine property formerly operated by Ankerite Gold Mines, Ltd., which started production in 1926, but suspended in 1930 when the English company, Porcupine Goldfields Development & Finance Co., went into liquidation. Of the $1,000,000 in $1 par value shares authorized 525,000 shares have been issued. It, therefore, has one of the lowest outstanding capitalizations of any gold mining company in the province.

Falconbridge Nickel Co. Declares Second Dividend

Falconbridge Nickel Co. has declared a second dividend of 10 cents per share payable June 30, 1933, to shareholders of record June 15. This will call for a disbursement of about $319,505.

NORTHERN CANADA MINING CORPORATION, LIMITED

Invests in Canadian Mines and Mining Properties

J. B. TYRRELL,
President and Managing Director,
Room 930, 25 King Street West,
TORONTO, CANADA

"More Gold!"

Gold Bullion to the standard value of 47 million dollars, or 53 million dollars in Canadian Funds, was produced by the Mines of Ontario in 1932. This is a record annual output, being an increase of 4 Million Dollars in standard value over the output for 1931.

Ontario Gold Mines have paid dividends to the end of 1932 amounting to $135,104,303. Dividends for 1932 amounted to $16,015,018.

Ontario Department of Mines,
HON. CHARLES McCREA,
Minister of Mines

Pioneer
Bralorne
McIntyre
Dome
Wright-Hargreaves

A lengthy review of the recent developments at these five important Canadian gold producers is contained in the current issue of "The Mining Chronicle." In view of the broadening market in the gold shares, this issue is of unusual interest.

Copies will be mailed upon request.

F. J. Crawford & Co.

Members Standard Stock and Mining Exchange

11 JORDAN STREET, TORONTO

ELgin 2201

Nova Scotia Tree Planting

Five hundred thousand trees for planting were sent to private individuals, Boy Scouts, schools and the Department of Highways, last year from the Government's Forest Nursery at Lawrencetown, N.S. This was an increase of 54,900 trees over the previous year's shipment.

Gold and Base Metal Stocks

We will be pleased to furnish information and execute orders on these shares.

G. W. NICHOLSON & CO.

Members Standard Stock and Mining Exchange

302 Bay Street — ELgin 5317 — Toronto

"The Brightest Gold Outlook in Canada"

Siscoe - Greene Stabell - Sullivan-Lamaque (Teck-Hughes)—all these properties are making of the Siscoe-Stabell area the most promising among new producing gold fields in Canada. Present ore reserves and new discoveries warrant immediate attention.

NORTHERN CANADA GOLD DIVISION

H. R. BAIN & CO. LIMITED

INVESTMENT BANKERS

350 Bay St., Toronto. Ad. 4274.

Ask those who know the facts.

Important Announcement—

To the Shareholders of GRANADA GOLD MINES Ltd.

The attention of your Board of Directors has been called to the fact that representatives of a non-producing mining company, still in the initial stages of development, have called upon many of you for the purpose of selling you stock in this other mining company by urging you to exchange your stock in Granada Gold Mines, Ltd., for the stock in this other company.

This letter is being written to you for the purpose of advising you that Granada Gold Mines, Ltd., is not interested in any other property and that such action on the part of these people is wholly unauthorized by your Board of Directors and that your directors are not in sympathy with and are entirely opposed to this procedure.

During the past several months New York interests have furnished the treasury of your company with substantial sums of money. This money has been spent in extensive equipment, additions to the plant, and in the development of your properties. Your properties are responding most satisfactorily to the foregoing development, which should result shortly in increased production of a higher average grade of ore.

All stockholders are requested to transfer their stock on the books of the Company in their own names so that they may receive from the Company first-hand all future information with reference to the progress of the property.

We will presently send you a detailed report of this development work and its results.

Your directors are unanimous in their belief that your property is responding remarkably to exploration and development, will develop into a major producing mine and that stockholders will reap substantial financial reward for holding their stock. We again urge you not to exchange your Granada stock for the stock of any neighboring property, and take this opportunity of condemning such practices.

By order of the Board of Directors.

GRANADA GOLD MINES, LTD.
(By R. C. Gamble, Pres.)